UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/1997/65
11 June 1997

ORIGINAL: ENGLISH

Substantive session of 1997
Geneva, 30 June-25 July 1997
Item 3 (b) of the provisional agenda*

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION: FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY

Progress in the implementation of General Assembly resolution 50/120

Report of the Secretary-General

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INTRODUCTION

1. As the Economic and Social Council undertakes its assessment of the implementation of the policy directives decided upon at the triennial policy review of operational activities for development in 1995, two basic considerations need to be kept in view.

2. First, the operational activities for development undertaken through the United Nations system continue to play a unique and critical role in supporting developing countries to manage their own development process. The neutrality of multilateral development cooperation and its capacity to respond flexibly to the needs of developing countries are perceived as a distinct and major asset by developing countries. Even as requirements change and new programme needs are defined, operational activities remain a key ingredient in the development process, although they must continue to evolve in scope and coverage.

3. Second, reform of operational activities is a continuous process: it has been given renewed impetus by the policy directives established by the General Assembly (in its resolutions 47/199 and 50/120) in the context of the triennial policy reviews of 1992 and 1995. A central objective is the reform of country-level cooperation for development. The aim is to achieve greater coherence in responding to national priorities in all developing countries, involving (a) further strengthening of the resident coordinator system; (b) increased efficiency and effectiveness through common premises and shared services; and (c) adaptation of the profile of the field establishment to the programme needs and priorities at the country level.

4. Operational activities are thus undergoing a process of transformation. The direction and intensity of that transformation will have an important bearing on the contribution that those activities make to sustained economic growth and sustainable development of developing countries.

5. The present report on progress in the implementation of General Assembly resolution 50/120, which has been prepared in accordance with paragraph 54 of that resolution and paragraph 11 of Council resolution 1996/42, should be considered within the context outlined above. It identifies issues for the 1998 triennial policy review that should be part of the comprehensive assessment of the implementation of Assembly resolution 50/120. The Council may wish to consider issues that will require particular attention; by providing its guidance, the Council will help to focus the preparation of the comprehensive review in 1998.

6. The present report focuses on capacity-building, field-level and regional-level coordination, and resources - the topics chosen by the Council for consideration at its substantive session of 1997 (see Council resolution 1996/42, para. 12). In addressing those topics, the report also provides an assessment and recommendations on related subjects within the ambit of the resident coordinator system (country strategy note, programme approach, national execution, harmonization of cycles, common premises and shared services, simplification and harmonization of procedures etc.). The report is divided into the present main document, containing key conclusions and recommendations;

three addenda on resources (E/1997/65/Add.1), field and regional coordination (E/1997/65/Add.2) and capacity-building (E/1997/65/Add.3); and a statistical addendum (E/1997/65/Add.4).

Capacity-building

7. Issues related to capacity-building (see sect. I below) are reviewed in order to follow up the Assembly's decisions to promote a common understanding of the concept within the context of the current and prospective requirements of developing countries. The aim is to inform the Council of the current state of thinking within the system. Action to achieve a common understanding of the concept and ensure that capacity-building can be sustained will be pursued at various levels, including within the framework of the Consultative Committee on Programme and Operational Questions (CCPOQ) of the Administrative Committee on Coordination (ACC). Moreover, impact evaluations under way pursuant to paragraph 56 of General Assembly resolution 50/120 (see sect. IV below) will focus on capacity-building.

Resources

8. The assessment of and recommendations concerning resources (see sect. II below) focus on the specific areas defined in Economic and Social Council resolution 1996/42, which also alludes to annex 1 of General Assembly resolution 50/227. Special attention is thus paid to providing an up-to-date analysis of issues and trends in core and non-core resources, as well as suggestions on how core resources might be increased and made more predictable. In considering that matter, the Council may also wish to take into account previous reports of the Secretary-General on the subject (A/48/940 and A/49/834), as called for in paragraph 9 of the annex to Assembly resolution 50/227.

Field and regional coordination

9. As the present report shows (see sect. III below), Assembly resolution 50/120 and its predecessor Assembly resolution 47/199 both continue to receive priority attention at the level of the United Nations system through CCPOQ, United Nations funds and programmes through the Executive Committee on Development Operations[1] recently established by the Secretary-General and the Joint Consultative Group on Policy (JCGP), and by individual organizations. In relation to the targets established in the management process established last year and communicated to the Council in document E/1996/64, annex II, progress is being made on a broad front, although much remains to be done. For example, the United Nations system recently reviewed its experience in the functioning of the resident coordinator system, with a view to identifying best practices for future guidance regarding the country strategy note, the programme approach and national execution and administrative management; the results of that review will be used to prepare guidelines agreed system-wide, as provided for by the General Assembly in its resolution 50/120.

I. CAPACITY-BUILDING: SOME OPERATIONAL AND CONCEPTUAL ISSUES[2]

10. Capacity-building is an issue that is at the forefront of the global development agenda. It is indispensable not only for attaining national self-reliance and sustained economic growth but also for achieving globally agreed goals. The decision taken by the General Assembly in paragraphs 22 and 27 of its resolution 50/120 on capacity-building reflects the enhanced importance of the subject. The Assembly decided that (a) capacity-building should remain an essential part of the United Nations system operational activities; (b) those activities should be integrated into and should support national effort; and (c) the United Nations system should continue to work on promoting a common understanding and operationalization of the concept, including its sustainability. The Assembly invited the Economic and Social Council to consider capacity-building as one of the three focus areas at its substantive session in 1997.

11. The record of technical cooperation devoted to capacity-building, although impressive, remains inadequate. Although such cooperation is a significant part of the global effort to liberate millions of people from poverty, 1.5 billion people are still without the basic necessities of human well-being. The number of least developed countries has increased from 24 in 1970 to 48 in 1996. Doubts have also been expressed about the relevance and sustainability of some capacities built through technical cooperation, and there is concern that some activities have even had negative effects on long-term capacity-building and have aggravated dependency. Too much emphasis may have been placed on immediate economic outputs through manufacturing, equipment and experts, and too little on the policy framework and on social, cultural and environmental questions. A concern for expenditure delivery and donor accountability has perhaps not been matched by adequate attention to beneficiaries, integration, local ownership and local capacities.

12. To succeed, development cooperation for capacity-building must be based on "partnership" approaches. In paragraph 22 of its resolution 50/120, the General Assembly decided that the objective of capacity-building, as an essential part of operational activities for development, should aim to integrate such activities and provide support for strengthening national capacities in policy and programme formulation, development management, planning, implementation coordination, monitoring and review. Moreover, the major donors stated in 1995 that the role of external partners is to help strengthen capacities in developing partner countries, and that the dominant conception of the mission of development assistance is to help countries and societies to strengthen their economic, human, social and institutional capacities for self-sustaining development. As discussed in more detail in document E/1997/65/Add.3, the evolution of technical cooperation and the changed global setting require new approaches and are reinforcing the imperative of establishing home-grown capacities. Strengthened capacities within all segments of society are increasingly seen as the key to breaking the vicious cycle of mass poverty, population explosion, environmental degradation, slow rates of economic growth and political instability. The heart of capacity-building is the empowerment of individuals and societies to make and carry out informed choices and to liberate the creative energies, particularly of hitherto marginalized sectors. A vision of development and of the kind of society to be sustained is essential.

13. Capacity-building is a prerequisite for and is indispensable to long-term development, and it requires specific priority attention. National capacity-building is critical to effective international economic cooperation; yet, its reach and rationale go beyond external aid effectiveness. It is a bridge between potential and performance and a link between domestic processes and development aid. Institution-building is crucial to the extent that it leads to the empowerment of people and the creation of a framework to help them to contribute to the development process. It is country-driven and situation-specific, and is best undertaken for well-defined development issues and within a programmatic approach.

14. The entry points of external assistance into capacity-building require rethinking. The comparative advantages of the United Nations development system are well suited for capacity-building. Growing economic integration and interlinkages among issues suggest the need for new and more comprehensive approaches to capacity-building adapted to the constantly evolving needs of developing countries. Some of the issues reviewed in document E/1997/65/Add.3 are sustainability; trade; technology; human migration; humanitarian emergencies; peace-building; aid optimization; governance, including State and civil society; economic reforms; and South-South cooperation. None of them are new, nor are all germane to every country; capacities to cope with them must be consciously developed and integrated into the mainstream of capacity-building. Some approaches created along the road to progress outlive their usefulness and have to be discarded.

15. A key challenge is how to reorient traditional approaches to capacity-building to meet the new and changing requirements of recipient countries. The organizations of the United Nations system have considerable experience in the design and implementation of programmes for capacity-building.. The Organisation for Economic Cooperation and Development (OECD), the World Bank and the United Nations development system have introduced new guidelines and new modalities. Recent United Nations conferences, particularly the United Nations Conference on Environment and Development, the World Summit for Social Development and the United Nations Conference on Human Settlements (Habitat II), have focused on the essential contributions that capacity-building will play in their follow-up. Decisions of the General Assembly concerning the setting of the triennial comprehensive policy review of operational activities, such as the country strategy note, the programme approach and national execution, are providing important new support.

16. The United Nations system can serve as a true pacesetter and catalyst in international development cooperation and in responding to national needs. Not only programming processes but also the presence and skill profile of the United Nations system at the country level require review. That cannot be expected to solely emerge from the field; the headquarters of United Nations system organizations and bodies must lead a systemic transformation and introduce attitudinal changes to increase effectiveness in focusing on the central problems of the countries concerned. To be effective and enduring, a strong political push is needed. The 1998 triennial comprehensive policy review of operational activities of the United Nations system provides the forum and opportunity. Meanwhile, a two-pronged approach is being pursued: to continue to refine concepts and ideas; and to undertake in-depth impact studies in

selected countries, not only to assess current work but also to test emerging ideas in specific situations in countries. The results will be reported to the General Assembly.

Recommendation 1

17. The Council may wish to consider the five recommendations contained in document E/1997/65/Add.3, paragraphs 41, 43, 47, 49 and 52. In addition, the Council may wish to reaffirm that the United Nations system should continue to pursue and develop a common understanding of capacity-building. In so doing, it should take into account experience acquired to date and the new and emerging requirements of developing countries, for consideration in the context of the 1998 triennial comprehensive policy review. It is intended that the changes needed in the areas of capacity-building by the United Nations system will be considered by CCPOQ, and the result will be included in the Secretary-General's report on the triennial policy review.

II. TRENDS IN CORE AND NON-CORE RESOURCES[3]

A. Background

18. The need to increase resources to meet the growing needs of recipient countries and to make the funding system more predictable has been a continuing concern of the General Assembly. They are an essential consideration in the overall reform process of the United Nations development system. As far back as 1977, the General Assembly, in its resolution 32/197 of 20 December 1977 on restructuring of the economic and social sectors of the United Nations system, called for a real increase in the flow of resources for such activities on a predictable, continuous and assured basis. Several resolutions address the three related areas of governance, funding and efficiency and the impact of operational activities for development, including in the context of several triennial policy reviews, which commenced in 1980.

19. The Economic and Social Council, in its resolution 1996/42, strongly reaffirmed that the efficiency, effectiveness and impact of the operational activities of the United Nations system must be enhanced by, inter alia, a substantial increase in their funding and through the full implementation of General Assembly resolutions 47/199, 48/162, 50/120 and 50/227. The Council requested the Secretary-General to include in his progress report on the implementation of resolution 50/120 an analytical assessment of the implications for operational activities for development of the recent trends in core and non-core resources, and to make a recommendation on how to increase core resources and effectively implement section 1 of General Assembly resolution 50/227. The present section has been prepared in response to that request. It takes into account the legislative history, including the fact that previous reports on the subject have yet to be considered in depth by the Council and the Assembly.

B. Core resources

20. The United Nations funds and programmes - UNDP, UNICEF, WFP and UNFPA - are the principal avenues through which the operational activities of the United Nations system are financed. Their resources fall into two broad categories: core and non-core (for terminology, see E/1997/65/Add.1, annex). The combined total resources channelled through the funds and programmes in 1994, 1995 and 1996 are estimated at US$ 4.5 billion, US$ 4.3 billion and US$ 4.5 billion, respectively.

21. Of total resources, core funds in 1996 constituted 55 per cent in UNDP, 58 per cent in UNICEF, 82 per cent in UNFPA and 54 per cent in WFP. The stagnation of some funding and the steady decline of other core funding have inhibited the capacity of United Nations funds and programmes to play the roles assigned to them and to respond effectively to national needs while maintaining their universal and multilateral character. United Nations funds and programmes are following three approaches to enhance core funding: (a) enhancing efficiency and transparency of their operations; (b) seeking a larger share from existing traditional sources; and (c) developing new sources of funding.

22. Their core resources are focused and prioritized towards low-income countries. Although the reluctance of some traditional countries to enhance core funding is part of a broader picture of stagnant or declining official development assistance (ODA) in a constrained fiscal environment, their apparent preference for special-purpose and trust funds also reflects concern by Governments about the manner in which core resources are allocated: attempts to increase core resources need to address those concerns.

23. Not only are core funds stagnant but they are also excessively dependent (close to 90 per cent) on as few as 15 countries (for details see E/1997/65/Add.1). Ways of expanding the resource base through better burden-sharing among donors remain to be addressed. At the same time, the traditional donor base has remained static despite significant changes in the dynamics of the growth poles of the global economy. The economic strength of some developing countries could enable them to contribute at a higher level. Developing countries contribute over 75 per cent of cost-sharing funds, meant for use in their own countries. How to encourage those who are in a position to do so to "graduate" from recipient to donor status requires further attention.

Recommendation 2

24. The core resource base, dependent on less than 10 per cent of United Nations Member States for over 90 per cent of its value, needs to be broadened. To that end, the potential of additional sources of funding for core resources might be explored further, including possible concerns of Governments concerning that source of funding.

25. Non-core funds embrace a wide range of modalities, particularly cost-sharing in the case of UNDP and special-purpose or dedicated funds and supplementary funds in the case of other funds and programmes. Private flows now far exceed official flows, and non-governmental organizations, the private sector and international foundations are actively engaged in a few countries in

areas similar to those on which the United Nations funds and programme are focusing. It is useful to explore the extent to which bridges can be built to private sources; such organizations as UNICEF are already engaged in that task.

Recommendation 3

26. The possibility of attracting more contributions from non-governmental sources in addition to those provided by Governments, including from private international foundations and the private sector, as well as the policy adjustments necessary to permit such a possibility, may need to be reviewed.

27. The emergence of poverty eradication and capacity-building as the overarching goals of development cooperation - bilateral and multilateral - offers an opportunity to enhance core funding at the global level by exploring the possibility of channelling funds from bilateral sources to supplement non-core funding.

C. Public support

28. Voluntary funding has always been a function of political choice. In a period of fiscal constraint and competitive environment, it is also a matter of public support. The good work and best practices of the United Nations development system in the field have to "percolate up" and influence decision-making on funding in a more organized way. Greater attention has to be paid to nurturing, strengthening and networking the beneficiaries of United Nations development system and others who are committed to supporting the multilateral cooperation provided by the United Nations development system. While much of the effort to raise core funds must be undertaken by the system within traditional donor countries and potential new donors, recipient developing countries can also play stronger advocacy roles by mobilizing their political influence, bilateral and multilateral.

Recommendation 4

29. Effective resource mobilization requires stronger political commitment by all countries, including developing countries. Concerns, including about their role in decision-making, may need to be addressed to enable them to play a more active public advocacy role for resource mobilization. Moreover, success stories and best practices of the United Nations development system should be more strategically used to raise resources from both existing and new donors.

Recommendation 5

30. With the convergence of the mission statements of the funds and programmes and their follow-up mandates to United Nations conferences, more coordinated fund-raising may be explored, including in the context of current reforms.

D. Previous reports

31. The consideration of a new funding system has been considered by the General Assembly on the basis of resolution 48/162 of 14 January 1994, and most recently its resolutions 50/120 and 50/227. The Secretary-General had submitted two comprehensive reports to be considered by the open-ended consultations established pursuant to resolution 48/162, containing a number of proposals, including proposals on enhancing core resources. It may be useful to revisit and review those proposals in association with the present proposals.

Recommendation 6

32. The proposals contained in the Secretary-General's earlier reports on funding (A/48/940 and A/49/834), particularly those relating to enhancing core resources, may be reviewed in conjunction with those contained in the present report.

E. Process

33. The General Assembly and other bodies have been seized of the subject of increased, continuous and assured resources, particularly core resources, for a number of years. To date, various consultations on prospective new modalities for financing have been inconclusive.

Recommendation 7

34. Experience gained with the open-ended, informal consultations established by the President of the General Assembly pursuant to resolution 48/162 may be used by Governments to consider the most appropriate process for conducting further consultations on the subject of funding.

III. COUNTRY, SUBREGIONAL AND REGIONAL COORDINATION[4]

A. Country-level coordination

35. Since operational activities are for the benefit of recipient countries, their integration into national development process is of the utmost importance. Although progress is being made in achieving a strengthened resident coordinator system and in managing more effective and coherent United Nations system programmes, much remains to be done to achieve the goals set by the General Assembly. At the centre of current efforts to give practical expression to strengthened cooperation at the country level are the measures outlined by the Secretary-General on 17 March 1997 (see A/51/829). Steps are also being taken in CCPOQ and in other inter-agency forums.

36. In proceeding with the implementation of General Assembly resolution 50/120 and the relevant aspects of the Secretary-General's 17 March letter, a set of related measures are being introduced to improve significantly the functioning of the resident coordinator system. Executive heads of the funds and programmes have agreed that the current resident coordinator system, with its funding and

management links to UNDP, requires improvements. They are committed to creating a strong country team under the leadership of the resident coordinator. The steps being taken are supplemented and broadened at the ACC level, through CCPOQ and its working group on the resident coordinator system.

37. The team leadership role of the resident coordinator is being reinforced, inter alia, by updated guidelines, which will cover follow-up to United Nations conferences; implementation of paragraphs 41 and 42 of Assembly resolution 50/120; support to the country strategy note process; preparation of United Nations development assistance frameworks; common databases; common country assessments linked to the development of programmes; and specification of various duties and responsibilities within the context of a team approach and in relation to the programme needs of the host country. The resident coordinator will function on behalf of the whole system, and priority will be given to those functions (UNDP will designate a UNDP programme manager whenever the workload warrants it). The competencies required of the resident coordinator are being redefined to improve the selection process, appraisal of performance and training. Other members of the resident coordinator team will also have more clearly defined responsibilities for making the system work.

38. In considering field coordination, including the assessment provided in addendum 2, the Council may wish to determine whether the functioning of the resident coordinator system is supported by consistent and mutually reinforcing mandates, or whether clarification may be required. In that connection, it is evident that the resident coordinator system is the product of the historical evolution of a complex set of interorganizational arrangements. Building on those arrangements, the functioning of the resident coordinator system needs to be viewed in a more comprehensive manner that takes as a starting point the requirements for the effective and flexible management of the totality of development programmes undertaken in the country with the support of the system, and for optimizing limited resources.

1. Functioning of the resident coordinator system at the country level

39. Country experience shows that there is a trend towards increased participation in the resident coordinator system. Success in the functioning of the resident coordinator system has depended on the capacity and willingness of all members of the United Nations system to work as a country team towards agreed objectives, which requires a management style by all concerned that balances the leadership of the resident coordinator in support of national priorities with appropriate delegation of responsibilities to member organizations according to the lead-agency concept.

2. Role of the resident coordinator

40. The need to enhance the resident coordinator's responsibility and authority for the planning and coordination of programmes is reaffirmed in paragraph 42 of General Assembly resolution 50/120, which provides for the resident coordinator to propose, where required and in full consultation with the Government,

amendments of country programmes and major projects and programmes to the heads of the United Nations organizations in order to bring them into line with the country strategy note. Country missions have revealed that the level of authority envisioned in that provision of the resolution has not yet been fully recognized and operationalized.

3. Field-level committee

41. In most countries, the basic inter-agency consultation mechanism within the resident coordinator system is the periodic meeting among heads of agencies. In their annual reports, resident coordinators have confirmed that field-level committees have been established in 86 out of 107 reporting countries.

42. The General Assembly decided, in paragraph 41 of its resolution 50/120, that the field-level committee should review substantive activities of the United Nations system, including draft country programmes, sectoral programmes and projects, prior to approval by individual organizations, and should be one of the main vehicles for exchanging experience acquired within the United Nations system. Resident coordinators in 46 out of 107 reporting programme countries reported that the field-level committees carry out that review function, although country missions conducted in early 1997 concluded that much further progress is required in that respect. In 61 out of 107 cases, resident coordinators have reported that the field-level committee has enhanced the participation of the various United Nations system organizations in each other's country programming processes, including mid-term reviews, as well as collaboration in needs assessment and situation analysis.

43. There is a perception among field representatives of agencies that the provision in paragraph 41 of General Assembly resolution 50/120 will become fully operational only once it is translated into specific instructions on programming procedures by their own organizations, explicitly requesting the use of the field-level committee for consultation and review of agency-specific programming activities.

Recommendation 8

44. The Council may wish to recommend that all organizations, particularly the funds and programmes, issue instructions and guidelines as part of their programming procedures to give effect to paragraph 42 of General Assembly resolution 50/120.

45. Field representation of United Nations system organizations differs in terms of mandates, structure and professional capacity. Different members of field-level committees are thus bound to respond to the system-wide review function of such committees with varying effectiveness. The workload of country representatives may also be a factor. The full implementation of the review function of the field committee requires that those constraints be overcome and that each member devote enough time and effort to it.

Recommendation 9

46. To give full effect to the provisions of General Assembly resolutions 47/199 and 50/120 on field-level committees, the Council may wish to consider requesting the United Nations system to take the necessary measures to establish joint programme and project appraisal committees as an integral part of country-level programme management. The Council may also wish to request the United Nations system organizations and bodies to issue clear instructions to field personnel on their role in the resident coordinator system in general, and in the field-level committees and thematic groups in particular. In order to increase the motivation and the quality of technical inputs, senior field personnel's contribution to the resident coordinator system should be part of their job description.

4. Thematic groups

47. There is evidence of a growing trend to use thematic working groups as a device to promote a more concerted approach to system-wide programming of operational activities. Based on the 1996 reports of the resident coordinators (107 reports as of end April), those groups can be found in at least 84 out of 107 programme countries. However, that does not mean that those groups always play a major role in the functioning of the resident coordinator system: in some countries, their role is limited to inter-agency information exchange or negotiation, and their programme role is marginal. In many other cases, however, thematic groups have led to improvement in system-wide collaboration, especially at the technical level. They also represent a practical way to implement the lead-agency concept, letting individual organizations take charge of specific groups within the resident coordinator system, based on mandate and competency.

Recommendation 10

48. In order to allow thematic working groups to achieve tangible results, the Council may wish to recommend that United Nations system organizations and bodies, in staffing their country offices, take into account the technical professional capacity and resources required to support the work of those groups in relation to the programme requirements of recipient countries.

5. Follow-up to major conferences

49. The Council, at its substantive session of 1995, took note of the initiatives undertaken by the United Nations system, at the ACC level, to promote a coordinated follow-up to major international conferences in the economic, social and related fields.

50. At the country level, the General Assembly, in paragraph 39 of its resolution 50/120, acknowledged the role of the resident coordinators in facilitating, in full consultation with national Governments, a coherent and coordinated United Nations follow-up to major international conferences at the field level. The combined outputs of global conferences should be reflected

through coordinated integration of United Nations system support into national processes; such coordinated integration, however, has to date been achieved in only a few countries.

6. Information-sharing of planned activities and collaborative programming within the resident coordinator system

51. Information-sharing, including the establishment of a common data bank and common country assessment, is an area in which the resident coordinator system is achieving progress that is increasingly being extended to a range of national entities, both governmental and non-governmental. Information-sharing and consultations are widely pursued on operational and administrative matters, as well as substantive and programme issues. General exchanges of views and ex post facto information sharing, although useful is, however, only part of what is required to bring about effective programme collaboration.

52. Progress in establishing system-wide mechanisms for shared and collaborative operational programming appears to be slower. Although harmonization of programming cycles is an ongoing effort within JCGP, it still does not mean harmonization of programme content.

Recommendation 11

53. The Council may wish to recommend to United Nations system organizations, in particular United Nations funds and programmes, that they ensure that programmes and project ideas are shared at the outset with the resident coordinator, facilitating collaborative programming within an agreed framework, including a resource framework at the country level.

7. Shared and collaborative programming

54. When Governments call on the function of the resident coordinator to facilitate consultations with the donor community, the resident coordinator system can play an important role thanks to the neutrality of the United Nations system and the range of competencies of the system. In some countries, the participation in donor meetings of resident coordinator system members other than the resident coordinator has been limited.

Recommendation 12

55. The Council may wish to recommend that United Nations system organizations and bodies attach greater priority, on the basis of their respective areas of competence, to providing quality and timely support to the resident coordinator system when asked to give support to national coordination of external cooperation, in accordance with the requirements of recipient countries.

8. Administrative aspects of the resident coordinator system: common premises and shared services

56. Paragraph 44 of General Assembly resolution 50/120 requests that JCGP and, to the extent possible, the specialized agencies, make substantial efforts to achieve common premises, on the basis of cost-benefit analyses, while avoiding causing increased burdens for host countries in the process. The Secretary-General, in his letter of 17 March 1997, has reiterated that the drive to establish common premises and common services arrangements at the country level will be intensified. The matter of common premises and shared services should be the object of a thorough evaluation in connection with the preparation of the next triennial policy review.

57. Common services arrangements are in effect in several areas, including security, maintenance, reception, staff services, communication, conference rooms, travel agents, financial and banking services, local transportation.

58. The Secretary-General has underlined that the establishment of common premises and common services serves to encourage a daily habit of cooperation and consultation. Implementation of common services arrangements at the country level may also release resources for programmes.

Recommendation 13

59. The Council may wish to request the United Nations funds and programmes to achieve further progress on common premises and the sharing of administrative services at the country level.

9. Harmonization of rules and procedures

60. In paragraph 45 of its resolution 50/120, the General Assembly calls for further simplification and harmonization of the rules and procedures used by the United Nations development system in its operational activities. In particular, at the country level, sharing of administrative systems and services and the development of common databases is encouraged. The Economic and Social Council, in its resolution 1996/42, also provided guidance on steps to be taken in that respect. The Secretary-General, in his letter of 17 March 1997, while stressing the need to establish common services arrangements at the country level, indicated that all United Nations funds and programmes will be requested to implement measures to more closely collaborate at the country level in the preparation of programmes and in other areas; that will require a special effort to harmonize programming rules and procedures.

10. Programme approach

61. Despite a considerable effort to introduce the programme approach system-wide, there is still a lack of common operational-level understanding among United Nations system organizations on how best to implement it. Simplification of the programme approach procedures and their harmonization within the system are still needed. Operational guidelines and training on how to use the

programme approach system-wide are under preparation based on experience gained to date.

11. Country strategy note

62. The General Assembly requested the Secretary-General to review the guidelines for the formulation of the country strategy note and enhance their operational relevance. There are countries in which the country strategy note formulation has been thorough and successful, and others in which the process is still inadequate. A full review of the state of implementation of the country strategy note will be presented in 1998, in accordance with paragraph 57 of General Assembly resolution 50/120 on the preparation of the 1998 triennial policy review.

63. In countries in which the country strategy note has not produced the expected results or the country strategy note is not expected to be in place soon, there is still need for more work on a consistent response of the United Nations system to the development priorities and policies and plans of the Government, as requested in paragraph 14 of General Assembly resolution 50/120. The introduction of the United Nations development assistance frameworks by the directive of the Secretary-General of 17 March of 1997 is a step in that direction.

12. National execution

64. In its resolution 50/120, the General Assembly requested the organizations and bodies of the United Nations system to undertake efforts, in the context of national execution and capacity-building, to enhance the absorptive capacity in developing countries, improve the common understanding of national execution and revise system-wide guidelines.

65. The status of implementation of national execution varies from country to country. A large number of resident coordinators have reported that there is a systematic policy in place for strengthening capacities for national execution. Major factors affecting the expansion of national execution include the level of executing capacities in the country, the need for related institutional development and the adequacy of national procedures.

66. National execution is diversely defined by various United Nations system organizations and bodies in their concrete operations. UNDP and to a lesser extent UNFPA have been directly and actively engaged in the expansion of national execution, involving technical agencies of the United Nations system mostly as cooperating or implementing agencies, when the Government desires to maintain their services. The UNICEF mode of national execution retains financial and technical control of the programme components, and uses national institutions as implementing bodies.

67. Although the General Assembly highlighted the role of the specialized agencies of the United Nations system in transferring and facilitating the necessary technical and substantive expertise to support the national execution

of United Nations-funded programme and projects, the role of cooperating arrangements with specialized agencies under national execution has to date been marginal on the whole. By and large, the rapid extension of national execution in most countries has resulted in reduced opportunities for United Nations technical agencies to contribute their technical expertise effectively through UNDP-funded programmes. Non-UNDP funded projects, executed by United Nations technical agencies, involve national institutions in their implementation and make increasing use of national personnel as project managers.

13. Monitoring and evaluation

68. Both the General Assembly, in its resolution 50/120, and the Economic and Social Council, in its resolution 1996/42, requested that evaluations and programme reviews of operational activities be undertaken jointly by the system, making the fullest possible use of national capacity. Although it is too early to draw firm conclusions, some joint evaluation work has taken place in 40 per cent of countries reported on. In addition, plans to conduct joint mid-term and end-of-cycle reviews of programmes should lead to significant savings in the cost of programme review and evaluation, permitting the resources available to cover programmes in greater depth.

69. Although no concerted move has yet been made by the system to set up the mechanisms to collect the essential baseline data necessary for a comprehensive impact evaluation of operational activities, there have been extensive efforts within JCGP to prepare a common country assessment that, once established, could provide basic data against which progress could be measured.

70. The focus of current monitoring and evaluation is by and large the programmes and the projects of the different United Nations entities, and joint monitoring and evaluation is limited. A more coordinated system-wide approach will be required as more collaborative programmes are carried out, particularly as follow-up to United Nations conferences. As part of the greater attention given to monitoring and evaluation by the United Nations system, CCPOQ has been taking a more systematic look at those issues.

Recommendation 14

71. The Council may wish to encourage further initiatives by the system towards more coherent and coordinated monitoring and evaluation of operational activities, including the establishment of baseline data for major programmes, and may wish to urge that that process be continued and extended to cover the support of headquarters to operational activities.

B. Regional and subregional development cooperation

72. At its 1995 triennial comprehensive policy review of the operational activities for development, the General Assembly considered for the first time in that context the regional dimension of operational activities for development. In paragraph 20 of its resolution 50/120, it requested the Secretary-General to consider ways of enhancing the coordination of subregional

and regional development activities of the United Nations system, promoting national ownership of those activities, and enhancing the role of the regional commissions. Those directives of the General Assembly are being pursued by the United Nations within the framework of CCPOQ. Since the Council decided to consider at the current session coordination at the regional and subregional levels (see Council resolution 1996/42, para. 11), some of the current issues are covered in the present report and in E/1997/65/Add.2.

Recommendation 15

73. The Council may wish to consider the extent to which the upcoming triennial comprehensive policy review in 1998 should address issues in the coordination of regional development activities of the United Nations system, as well as other issues arising from General Assembly resolution 50/120, including national ownership of regional activities and enhancing the role of regional commissions in those activities.

1. Common definitions

74. The importance of the regional dimension of operational activities is increasing: they currently constitute about 10 per cent of the total (i.e., approximately $500 million per annum). A review of current approaches to intercountry and regional programmes reveals a range of modalities at the programme and project levels, and there are still no agreed definitions and common statistics in that area. Coverage of regions and subregions varies among organizations, and over 100 offices operate without visible linkages; greater coordination would enhance the efficiency and effectiveness of such activities.

2. Regional strategy note

75. The concept of a regional strategy note was advanced in the report of the Secretary-General for the 1995 triennial comprehensive policy review. Its basic premise of providing a common framework for channelling United Nations system resources to agreed priorities remains valid. A practical step forward may be to test the approach in one region and also in one or two subregions.

Recommendation 16

76. The Council may wish to consider whether the concept of a regional strategy note should be tested in one region and a few subregions. The evaluation of the testing phase could include an assessment of the regional strategy note's contribution to coordination at the regional level.

IV. IMPACT EVALUATION

77. The evaluation of the impact of operational activities for development mandated by the General Assembly in its resolution 50/120 (para. 56) is under way. It is an integral part of the preparation of the 1998 triennial comprehensive policy review by the General Assembly. The overarching theme of

the evaluation will be capacity-building. Three topics will be examined: (a) capacity-building by the whole range of United Nations entities in a sample of countries; (b) capacity-building related to preparation for participation in and follow up to global conferences in a sample of countries; and (c) capacity-building at or by regional institutions. Other topics that are being considered and for which evaluation work may be undertaken include national capacity for aid coordination and management, and for response to the human immunodeficiency virus/acquired immunodeficiency syndrome epidemic; gender in development issues; poverty alleviation and sustainable development; and follow-up to capacity 21.

78. The method employed will be to prepare case studies of the three selected topics of capacity-building. For each of the three categories, one initial case study is being undertaken to assess impact in a specific area of capacity-building. Following those three initial case studies, if additional resources are made available, a further two case studies will be undertaken on each topic, making a total of nine in all.

79. An independent group of experts is expected to be formed to review and comment on the evaluation at key points in the process. The group will be invited to contribute its views on the process at any time, and to provide a brief appraisal of the evaluation that will be reflected in the Secretary-General's report for the triennial policy review.

Time-frame

80. The United Nations system and a sample of 37 countries have been requested to provide data and analysis. The first three missions are due to begin in July, and the exercise should be completed no later than February 1998. The current level of extrabudgetary resources available for the exercises is about $250,000. A further $420,000 is required to allow missions for each of the three topics to examine two more countries or institutions.

Recommendation 17

81. The Council may wish to take note of the preparations for the impact evaluation made in response to paragraph 56 of General Assembly resolution 50/120.

Notes

[1] The Executive Committee is chaired by the Administrator of the United Nations Development Programme (UNDP), and is composed of the heads of the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Development Fund for Women (UNIFEM), the World Food Programme (WFP), the United Nations Office for Project Services (UNOPS), the Joint and Co-sponsored United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Centre for Human Settlements (Habitat), the United Nations Drug Control Programme (UNDCP), the United Nations Development Programme (UNDP), the Department for Development Support and Management Services and the Department for Policy Coordination on Sustainable Development of the United Nations Secretariat, and the regional commissions.

[2] For details, see E/1997/65/Add.3.

[3] For detailed assessment, see E/1997/65/Add.1.

[4] For detailed assessment, see E/1997/65/Add.2.

UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/1997/65/Add.1
1 June 1997

ORIGINAL: ENGLISH

Substantive session of 1997
Geneva, 30 June-25 July 1997
Item 3 (b) of the provisional agenda*

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION: FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY

Addendum

Trends in core and non-core resources

Report of the Secretary-General

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* E/1997/100.

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INTRODUCTION

1. The question of increasing resources in relation to the growing needs of recipient countries and making the funding system more predictable has remained a continuing concern of the General Assembly and an essential part of the overall reform process of the United Nations development system. As far back as 1977, the General Assembly, in its resolution 32/197 of 20 December 1977, on restructuring the economic and social sectors of the United Nations system, called for a real increase in the flow of resources for such activities on a predictable, continuous and assured basis. Several resolutions have subsequently addressed the three related areas of governance, funding and efficiency and the impact of operational activities for development, and a number of further resolutions have dealt with those three interrelated issues, including in the context of several triennial policy reviews, which commenced in 1980.

2. More recently, in paragraph 32 of its resolution 48/162 of 20 December 1993 on further measures for the restructuring and revitalization of the United Nations system in the economic, social and related fields, the General Assembly stressed that, in particular, as part of the overall reform process, there is a need for a substantial increase in resources for operational activities for development on a predictable, continuous and assured basis, commensurate with the increasing needs of developing countries. The Assembly requested the Secretary-General to review and analyse possible changes and improvements in the current funding system, including but not limited to multi-year negotiated pledges. The Assembly also recommended that the process include informal consultations and negotiations on prospective new modalities for financing at the level of the General Assembly.

3. Accordingly, the Secretary-General issued a comprehensive report on the funding of operational activities for development within the United Nations system (A/48/940), which the General Assembly considered at open-ended consultations on prospective new modalities for financing held at its resumed forty-eighth session. The consultations met several times, with inconclusive results (for the Chairman's summary of the consultations, see A/49/749). The comprehensive report reviewed various modalities and mechanisms that might achieve the goal of increasing resources and providing greater predictability. It also offered practical steps to strengthen the current voluntary system.

4. In response to the initial consultations, the Secretary-General issued a follow-up report on the funding of operational activities for development within the United Nations system in January 1995 (A/49/834). The report considered, inter alia, methods of determining resource targets. It concluded that the resource targets, including existing operational practices and levels of financing and operational and administrative costs, were not based on quantifiable needs of recipient countries, and that there were no workable methods available at the global level. The report further assessed funding options and possible new funding modalities, and offered ideas on how best to place programmes and funds on a sounder financial basis.

5. Subsequently, the Secretary-General, in paragraphs 90 and 91 of his report on an agenda for development (A/49/665), noted that United Nations development activities were in financial difficulties, and that reliance on voluntary contributions alone was no longer feasible. The report suggested that a blend of assessed, negotiated and voluntary contributions might provide the most logical and appropriate means of financing the United Nations.

6. During the 1995 triennial comprehensive policy review of operational activities for development, the General Assembly considered the three interrelated areas of governance, resources and the policy directions of operational activities, and noted with regret, in paragraph 4 of its resolution 50/120, that although significant progress had already been made on the restructuring and rationalization of the governance and functioning of the United Nations development funds and programmes, there had not been, as part of the overall reform process, any substantial increase in resources for operational activities for development on a predictable, continuous and assured basis, nor had the consultations on prospective new modalities for financing reached a conclusion. Further, in paragraph 5 of the same resolution, it strongly reaffirmed that the efficiency, effectiveness and impact of the operational activities of the United Nations system must be enhanced by, inter alia, a substantial increase in their funding on a predictable, continuous and assured basis, commensurate with the increasing needs of developing countries, as well as through the full implementation of resolutions 47/199 and 48/162. In paragraph 10 of the same resolution, the Assembly called for intensified consultations and negotiations on prospective and specific modalities for financing operational activities for development.

7. The next step was General Assembly resolution 50/227, in which, in paragraph 9, the Assembly stressed that within the context of the efforts to provide the operational activities of the United Nations system with resources, in particular core resources, on a predictable, continuous and assured basis, and taking into account that voluntary contributions from official sources should remain the main source for funding of those activities, all aspects of funding of United Nations operational activities and options presented in the reports of the Secretary-General (A/48/940 and A/49/834) and other reports subsequently presented, which include the three funding mechanisms (voluntary, negotiated and assessed), as well as their expected impact, should be examined by the General Assembly and the Economic and Social Council in accordance with their respective mandates.

8. The Economic and Social Council, in its resolution 1996/42, strongly reaffirmed that the efficiency, effectiveness and impact of the operational activities of the United Nations system must be enhanced by, inter alia, a substantial increase in their funding and through the full implementation of General Assembly resolutions 47/199, 48/162, 50/120 and 50/227. It requested the Secretary-General to include in his progress report on the implementation of resolution 50/120 an analytical assessment of the implications for operational activities for development of the recent trends in core and non-core resources, and to make a recommendation on how to increase core resources and effectively implement section 1 of General Assembly resolution 50/227. The present report has been prepared in accordance with that request, taking into account the legislative history described above, including the fact that previous reports on

the subject have yet to be considered in depth by either the Council or the Assembly.

I. STATUS OF CORE AND NON-CORE RESOURCES

9. The United Nations funds and programmes - the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the United Nations Population Fund (UNFPA) - are the principal avenues through which the operational activities of the United Nations system are financed. Their resources are provided in two broad categories: core and non-core (for terminology of non-core modalities, see annex). Combined total resources channelled through the funds and programmes in 1994, 1995 and 1996 are estimated at US$ 4.5 billion, US$ 4.3 billion and US$ 4.5 billion, respectively.

10. WFP works in both development and relief, and it receives its contributions both in cash and in kind. Funding over the past several years has seen an increase in the overall level of funding since 1991 ($1.4 billion in 1991, $1.7 billion in 1992, $1.4 billion in 1993, $1.5 billion in 1994 and $1.3 billion in 1995), accompanied by a shift in the proportion of funds provided for development activities and emergency relief operations. In 1991, funding for development stood at $488 million and funding for relief at $586 million; in 1994, the corresponding figures were $311 million and $874 million, respectively; and in 1995, they were $340 million and $613 million.

11. WFP had been facing increasing difficulty in securing the necessary mix of cash, commodities and service. That situation was exacerbated by the upsurge of complex emergency humanitarian crises that emerged in the late 1980s and continue to this date. Complicating elements included the practice by donors of increasingly tying and designating their funding to particular operations or target populations, resulting in a loss of flexibility; the scope for and willingness of donors to support emergency operations with funding drawn from budget-line items; and the effort to use scarce resources in the most effective manner, such as using food aid to save lives in emergency humanitarian situations in a way that was at the same time as relevant as possible to development.

12. In November 1995, the governing body of WFP approved new resource and long-term financing policies, which the Secretariat has been implementing on a trial basis since 1 January 1996; the policies aim to overcome external constraints, provide more predictable and flexible resources, and ensure full cost recovery, while at the same time preserving the multilateral nature of WFP over the long term.

A. Core resources

13. Core resources are generally understood as those contributed voluntarily to the funds and programmes for general resources, to be utilized according to their mandates, without any constraints or conditions. Within that broad

understanding, there are subtle but significant differences. UNDP core resources are entirely contributed by Governments; UNICEF obtains its core funds or general resources both from Governments and non-governmental sources, such as national committees. UNFPA core funds are almost but not exclusively government funds; a minuscule amount comes from non-governmental private donations. WFP receives most of its contributions from Governments in cash and in kind. In 1996, approximately 40 per cent of overall contributions to WFP were made in kind, the remainder in cash. WFP core resources are received through the multilateral funding window for its four programme categories (development, rehabilitation and disaster preparedness; protracted relief operations; emergencies; and special operations).

14. A notable feature of core funding of funds and programmes is that a small number of countries contribute close to 90 per cent of such funding. In 1996, 15 countries contributed over 95.9 per cent of UNDP resources, 98.5 per cent of UNFPA resources, 95.2 per cent of UNICEF resources and 94.2 per cent of WFP resources. The steady decline of core funding and its overwhelming dependence on a few countries indicate the potential for instability and vulnerability. Annual voluntary contributions to UNDP core resources[1] declined from US$ 1,074 million in 1992 to US$ 844 million in 1996; over the same period, non-core resources increased from US$ 382 million to US$ 1.27 billion. Consequently, the share of core resources in total income has decreased from approximately 76 per cent in 1992 to approximately 45 per cent in 1996. Pledges and estimated contributions for 1997 indicate a continuation of that declining trend, which should be viewed in the light of the initial figure of US$ 3.3 billion for core resources, which was adopted for planning purposes by the UNDP Executive Board (see para. 7 of UNDP decision 95/23) for the three-year period beginning in 1997.

15. In 1996, 58 per cent - or $551 million of total income - was received as general resources which UNICEF allocated to Board approved programmes supporting children and women, guided by a needs-based formula (size of child population, under-five mortality rate, per capita gross national product (GNP)). The remaining income comes as supplementary funds or emergency contributions for specific programme components.

16. UNFPA total income in 1996 was estimated at approximately US$ 309 million, a decrease from the 1995 income level of US$ 337 million pledged by 95 Governments. Fifteen major donors, whose contributions equalled or exceeded US$ 1 million, contributed US$ 297.8 million - or more than 98 per cent - to total UNFPA core resources. Current projections indicate that in 1997, UNFPA income may again exceed the US$ 300 million mark. The uncertainty inherent in voluntary contributions is exemplified by the fact that in 1996, over 33 per cent of the total sum pledged to UNFPA was still outstanding for the last quarter of the year, causing serious cash-flow problems and adversely affecting programming confidence.

17. Some US$ 1.5 billion was contributed to WFP in 1996, 28 per cent for development work, 46 per cent for emergency operations and 24 per cent for protracted relief. In addition, US$ 28 million (2 per cent) was pledged in support of special operations. The sharp decline in development contributions

made it difficult to meet commitments, and reinforced the need to introduce the development dimension into relief effort.

18. Donors met most of the estimated requirements for WFP relief activities. There were, however, a small number of emergencies for which adequate levels of resources were not forthcoming. Most contributions for relief activities were directed towards specific operations or in response to particular appeals. The picture for resources for development is different. There has been a continuing decline in the level of resources available for development. That trend has been accompanied by an increase in the proportion of development resources that have conditions on their use. In 1996, approximately 50 per cent of WFP resources were core resources.

B. Non-core resources

19. The importance of non-core resources as a means of funding operational activities was recognized by the General Assembly in its resolution 44/211, in which it recognized the value of special-purpose grant resources provided that they were designed as a means to ensure additional resource flows and that their projects were coherently and effectively integrated in the technical cooperation programme of the United Nations system, in conformity with each country's development plan.

20. Non-core resources are far more varied, and definitions and the composition of non-core funding also differ among organizations (see annex). For example, UNDP includes trust funds as part of its non-core funding, whereas UNICEF does not.

21. In the case of UNDP, non-core resources are constituted by funds contributed by governmental or private sources and intended for specific purposes, i.e., identified projects or programmes, or assistance within geographic or thematic areas. Non-core resources are contributed generally through two modalities: (a) cost-sharing of projects or programmes, provided either by programme country Governments (so-called government cost-sharing) or by other Governments (so-called third-party cost-sharing); and (b) trust funds as receptacles for funds contributed by one donor or by several donors for a common purpose.

22. UNDP non-core resources have increased from US$ 382 million in 1992 to US$ 1.27 billion in 1996, of which cost-sharing represented US$ 957.6 million in 1996 (compared to US$ 271.9 million in 1992), with government cost-sharing representing 71.8 per cent and third-party cost-sharing 28.2 per cent (compared to 62.2 and 37.8 per cent, respectively, in 1992).

23. In its decision 95/23, the UNDP Executive Board stressed that contributions to core resources should remain the central efforts of all donors, and in paragraph 9 of that decision, it also recognized the importance of non-core resources, including cost-sharing and non-traditional sources of financing, as a mechanism for enhancing the capacity and supplementing the means of UNDP to achieve the goals and priorities specified in Executive Board decision 94/14. Those non-core resources are now reflected in the new country

cooperation frameworks under resource mobilization targets, and are mobilized both within the priorities defined by the programme countries themselves and within the goals and priority areas determined in Executive Board decision 94/14.

24. In the case of UNICEF, non-core resources, i.e., supplementary funds, are divided into emergency and regular supplementary-funded programmes. Each Executive Board approved country programme of UNICEF includes programme components for which general resources are not available, but for which regular supplementary funding is sought from the donor community, particularly donor Governments. Such supplementary funding comes from Governments' bilateral official development assistance (ODA) budgets, national committees or private-sector contributions mobilized for specific programmes. General resources come from donor Governments' multilateral ODA budgets and from the private sector, particularly through sales of cards and products.

25. Non-core funds of UNFPA for 1996 are estimated at US$ 49.3 million, an increase of 16.4 per cent over the 1995 level of US$ 33.2 million. Each country programme provides a multi-bilateral component to be used for separate projects or in conjunction with core-funded projects. Multi-bilaterally funded projects entail considerable staff work. The European Commission has recently agreed to channel US$ 30 million for reproductive health programmes in Asia, which is indicative of the trend to use the expertise and infrastructure of the United Nations system to channel bilateral resources to developing countries.

26. Non-core resources are a major source of financing for WFP, amounting to some 50 per cent of total resources. Most of the non-core resources are directed to emergency relief operations. In 1996, some 28 per cent of development resources were classified as non-core resources. The new resource and long-term financing policies adopted by WFP are designed, in part, to reflect that reality in a way that maximizes the opportunity for donors to support WFP activities and for WFP to manage them.

II. ANALYSIS

27. The steady but small increase in total resources, declining core funds and the small number of countries from which the vast bulk of contributions is emanating may necessitate new approaches to achieve the goal of increasing core resources. Viewed against the backdrop of the overall development aid context, important strands are emerging that have a bearing on that subject. In the mid-1980s, ODA was the major part of resource flows to developing countries. In the mid-1990s, private flows have been exceeding official sources: ODA has shrunk to an all time low of 0.27 per cent of GNP, and a growing portion is going to meet humanitarian needs (rising from US$ 1 billion in 1990 to US$ 3 billion in 1993, peaking in 1994) and debt relief. Resources channelled through multilateral institutions now account for 10 per cent of total flows to developing countries, and those that are made available to the United Nations development system are stagnant. The relative stagnation of core resources to UNFPA has coincided with the growth of total ODA funding for population assistance. In 1994, approximately US$ 1.4 billion out of total ODA was devoted to population activities, and it is estimated that about US$ 2 billion was

committed in 1995. Less ODA is flowing to economic infrastructure and production, and more to social sectors. Membership of the Organisation for Economic Cooperation and Development (OECD) has increased, and some developing countries are graduating from the position of recipient to net donor countries. At a time of declining core resources, United Nations funds and programmes have been charged with the added responsibility of implementing global plans of action. Core funds remain the indispensable foundation of the funds and programmes, both to meet national demands and to respond to global trends. There is a need for an appropriate balance between the growth in core and non-core funds.

28. Normally, the same countries provide core funding and special purpose funds. Countries that contribute to non-core resources also contribute to core resources, and often vice-versa, and there is no discernible link between the two. Although both core and non-core resources are related to established mandates and financial rules, some aspects of non-core resources are outside the direct decision-making of the executive boards. If taken to an extreme, excessive reliance on non-core resources could distort national and global priorities and affect the multilateral and universal character of the United Nations system. Since contributions to core funds and/or non-core funds are influenced by domestic political and budgetary considerations, some countries may find it more convenient to contribute to two different funding windows. The task is how best to maintain policy and programme balance between the various approaches.

29. Faced with that situation, United Nations funds and programmes are adopting a three-pronged approach to enhancing core resources by (a) enhancing the efficiency and transparency of their operations; (b) obtaining a larger share from existing traditional sources; and (c) developing new sources of funding. United Nations funds and programmes continue to seek larger shares from existing resource pools. They have streamlined their operations and cut costs and administrative budgets. They are also engaged in a dialogue with traditional donors to understand their concerns better and reorient their work. As stated by the UNDP Administrator in his 1996 Annual Report, the UNDP focus on sustainable human development and on low-income countries reflects the aid objectives of those countries. A leaner, more efficient and more accountable organization is the goal of UNDP. UNDP core resources are more apt to be directed towards a smaller group of countries and a smaller number of activities related to sustainable human development. An instance of that trend is that, as of 1995, one-third of UNDP resources were allocated for governance, a relatively new development area. UNICEF is working with donors to identify contributions that can be allocated to core instead of non-core resources and is in touch with national committees in that regard. Accountability, cost-effective programme delivery and timely implementation are the watchwords of UNICEF to attract larger resources. UNFPA has also concentrated on increasing efficiency, strengthening management and maximizing funds for country programmes.

30. The General Assembly is pursuing intergovernmental reform, enhancing efficiency and funding as interconnected and mutually reinforcing processes. Although according to its own assessment in paragraph 4 of Assembly resolution 50/120, significant progress has been made in the restructuring and rationalization of the governance and functioning of the funds and programmes,

there has not been any substantial increase in resources on a predictable, assured and continuous basis. Moreover, the informal consultations of the General Assembly on that subject have failed to reach any conclusion. It is necessary to review the reasons for that failure and identify ways to achieve the desired results.

31. General Assembly decisions in the context of the triennial comprehensive policy review of the United Nations system operational activities (resolutions 44/211, 47/199 and 50/120) were designed to enhance greater coherence within the United Nations system at the country level and integration into national processes. Enhancing efficiency is not only meant to respond to concerns of Member States but it should also reflect concerns about the system's relevance and responsiveness to the increasingly country-specific demands of Member States. Greater sensitivity to both concerns can lead to greater confidence and larger resource inflows. Transforming the governing councils of funds and programmes into executive boards was designed to make governance more effective. More stable and increased funding would have a direct bearing on enhanced efficiency and effectiveness, as strongly reaffirmed by the General Assembly in paragraph 5 of its resolution 50/120.

32. It is also important to note that recipient countries also make a substantial contribution to the financing of development activities supported by the United Nations funds and programmes, particularly under national execution modalities. All WFP development activities are executed nationally.

33. The situation of 15 countries, all belonging to OECD, contributing almost 90 per cent of core funds of funds and programmes must be addressed. The traditional donor base has been static despite changes in the determinants and geography of the global economy. East Asian countries, some South American nations and even some low-income countries with large economies may be in a position to contribute at higher levels. The declining public support and public funds for official development assistance in a number of important donor countries makes a compelling case for enlarging the donor base. Some new donor countries are already contributing to the "soft windows" of regional development banks. Some have started significant bilateral aid programmes and established aid infrastructures. A new rationale may be established with incentives, such as representation in senior management and economic returns to encourage and accelerate the process. In addition, the desire to contribute to their more needy partners in developing countries should be a powerful motive force.

34. The General Assembly has reaffirmed three fundamental characteristics of the financing of operational activities as voluntary, neutral and multilateral; any proposals to enhance core funding must be based on these fundamentals. Although the Assembly has emphasized the need for both substantial additionality and security and stability and predictability, these may not always be realized together. Particularly when some donor countries who are contributing more than their proportionate shares insist on equitable burden-sharing, mechanisms could result such as negotiated instruments of commitment and multi-year contributions, without political will, in less, not more, resources. The difficulties experienced in IDA's eleventh replenishment and of IFAD underscore this concern. Furthermore, many countries operate on the basis of annual budgets, reinforcing their natural reluctance to commit to increased funding;

nevertheless, the concept of negotiated multi-year contributions requires a further careful look.

35. That issue was reviewed in the Secretary-General's reports on funding operations (A/48/940 and A/49/834). Funding, particularly voluntary, is always a function of political choice. In an era of perceived resource scarcity and competitive environment, it also becomes a matter of public perception. A more informed and enlightened public can create a constituency for a stronger shared commitment.

36. The other challenge of increasing resource flows is how to optimize the use of existing funds in tandem with other partners under national leadership. Given the growing convergence of bilateral and multilateral agendas and the unquestioned advantages of United Nations neutrality and legitimacy, United Nations funds and programmes are performing important aid coordination functions. Currently, those functions are often at the level of information exchange, and there is potential for them to be enlarged to include programmatic cooperation, which in turn could enhance donor confidence and lead to larger contributions.

37. The growing development consensus that the over-arching objective of development cooperation should be poverty eradication offers an opportunity to enhance core contributions by encouraging the donor community and new potential donors to shift some of the non-core contributions or bilateral aid to other sources to increase core funding; most of the core-funded projects and special-purpose-funded activities can be related to that broad theme. At the country level, the same project is often funded from resources drawn from both sources. The possibility of combining the universality of core funds and the special character of trust funds at the global-programme level may be considered. Public support for funding such special-purpose activities may be stronger.

38. In reviewing financing modalities, it may be useful to note the implicit link between influence in governance and voluntary contributions. For countries to transfer resources from bilateral and other multilateral avenues to the United Nations development system, it is necessary to offer a credible case. That some donors are utilizing their experience and management capacities, such as field-level facilities and managerial structure, illustrates the potential technical assistance role of the United Nations development system vis-à-vis bilateral donors.

39. For many years, a number of Member States have complained about the inefficiency of the current holding of United Nations pledging conferences for development activities. The main argument has been that, at the pledging conferences, the contributions announced have amounted to not more than 40 per cent, and usually less, mainly because for many potential donors, the fiscal year starts later and they are not in a position to announce their pledges before parliamentary approval. As a result, it is clear that pledging conferences, as they exist now, can play a role for procedural purpose but have become inadequate as a fund-raising mechanism.

40. A proposal has even been made to abolish pledging conferences altogether, but the General Assembly, in annex I, paragraph 16 of its resolution 50/227,

postponed a decision on the future of pledging conferences, including a decision on whether to effect changes in their scheduling, pending the results of its review of funding modalities. Nevertheless, it is doubtful whether pledging conferences are to be continued and whether they would be any more productive if held in February and March.

41. In view of the above-mentioned postponement, whether or not the review of funding modalities is completed by the end of the fifty-second session of the General Assembly, a decision on whether to effect changes in pledging conferences will need to be made at that time.

Notes

[1] Defined as amounts pledged for a given year, irrespective of the year in which the amount is actually received.

Annex

NOTE ON TERMINOLOGY OF NON-CORE FUNDING MODALITIES OF UNITED NATIONS FUNDS AND PROGRAMMES

UNDP co-financing modalities is an umbrella term for several modalities, including cost-sharing, trust funds, UNDP-administered funds, government cash counterpart contributions, parallel financing and management support agreement.

Cost-sharing funds can come from two major sources:

(a) Recipient Government (government cost-sharing);

(b) Donor government and International Financial Institute (IFI) grants (third party cost-sharing, with funding direct to UNDP).

Trust funds can be established for a specific purpose, covering specific particular projects, one or more countries, or regional and global programme interests, and can be limited to one donor or open to multiple donors.

UNDP-administered funds include the United Nations Capital Development Fund, the United Nations Development Fund for Women, the United Nations Fund for Science and Technology for Development, and the Office for Desertification and Drought. Those funds are established for special programme purposes of global and regional interest, have voluntary contributions as core funds, and may include participation in sub-trust funds and cost-sharing.

Under the modality of the government cash counterpart contribution, recipient Governments are required to meet certain obligations towards UNDP-assisted projects, either through contributions in cash or in kind.

Parallel financing is an arrangement in which at least two parties join in a common programme but make separably administered contributions. Following a joint programming exercise, both UNDP and the donor(s) finance and execute their specific segment separately but in continuous coordination.

Management support agreements provide support services at the request of a recipient Government or bilateral and multilateral development agencies. They are not a form of co-financing but a mechanism to procure goods and services for a donor's or Government's programme. Management support services are also provided by UNDP country offices when they are called upon to assist in the implementation of national execution projects and IFI loan implementation.

In the case of UNFPA, non-core resources or multi-bilateral arrangements play an important but mostly supplementary role. The percentage of third-party cost sharing has remained small, not exceeding 5 per cent of total contributions. Recently, UNFPA signed a partnership agreement with the European Commission that will contribute over $30 million from the European Commission to reproductive health programmes in Asia. If those arrangements prove to be successful, UNFPA envisages that the European Commission may contribute more funding for that area of its work.

Non-core or other resources are identified in UNICEF as non-emergency supplementary funds, which have almost doubled during the five years since 1991. Emergency supplementary funds contributions, subject to much greater variability, currently exceed 1991 levels, but are lower than in any year between 1992 and 1994.

The supplementary funding process is the most common relationship with bilateral donors at the country level. That process provides essential resources for UNICEF-supported programmes. It also involves UNICEF in a reporting relationship with bilateral donors, and supports a reasonable level of both policy and technical dialogue among UNICEF, key bilateral donors and the line ministries of Governments. The dialogue can have the effect of improving UNICEF accountability, and sometimes provides for exchanges of experience on innovative programming techniques.

The new resourcing and financing structure implemented by WFP from the beginning of 1996 consists of four programme categories (development, rehabilitation and disaster preparedness; protracted relief operations; emergencies; and special operations) and three funding windows (multilateral, directed multilateral and bilateral), under which WFP receives its contributions. Contributions through the multilateral funding window provide WFP with the flexibility to allocate resources in a timely and appropriate manner consistent with the guidance provided by the Executive Board. Resources made available through the directed multilateral window enable donors to direct contributions to specific projects or operations. In addition, WFP provides bilateral services in which the activity is not associated with WFP-assisted operations but is nevertheless consistent with WFP's mission statement. That model enables a more clear distinction to be drawn between core and non-core resources.

Table 1. Contributions of 15 major donors to core resources

(Millions of United States dollars)

Countries	UNDP		UNFPA		UNICEF 1995			UNICEF 1996			WFP[a]
	1995	1996	1995	1996	Govern.	Nat. Com	Total	Govern.	Nat. Com	Total	1996
Japan	105.1	110.1	51.8	54.4	29.4	29.4	58.9	30.9	34.3	74.2	32.4
Denmark	105.4	97.8	27.6	47.0	31.4	1.9	33.3	31.5	1.9	33.4	42.5
Netherlands	103.1	98.1	35.9	44.8	26.3	8.8	35.1	29.9	23.9	53.8	45.0
Germany	94.1	88.5	32.6	30.8	6.5	41.3	47.7	8.1	39.9	48.0	67.0
Norway	78.9	77.8	29.1	28.3	39.4	1.4	40.8	39.6	1.6	41.2	22.4
Sweden	65.4	69.2	25.9	17.5	40.3	1.6	41.9	42.5	1.9	44.4	26.8
United States	113.4	50.4	35.0	22.8	100.0	7.9	107.9	100.0	8.2	108.2	316.2
Switzerland	45.2	43.4	7.2	7.0	13.3	11.5	24.8	13.2	11.7	24.9	20.6
United Kingdom	38.7	36.9	11.7	16.5	13.5	1.7	15.2	13.1	2.0	15.1	7.8
Canada	31.9	31.9	7.0	7.0	10.5	3.2	13.7	10.5	3.1	13.6	41.8
Italy	18.6	21.8	1.3	1.7	12.4	29.3	41.7	-	18.8	18.8	3.5
Belgium	22.4	21.2	2.3	2.5	2.3	6.5	8.8	2.6	5.0	7.6	3.1
France	19.8	18.4	0.7	0.8	1.4	31.3	32.7	9.6	29.9	39.5	3.1
Australia	13.5	14.1	2.0	2.2	3.3	1.2	4.4	3.6	1.0	4.6	21.8
Austria	14.0	14.0	0.7	0.7	2.0	1.7	3.7	2.0	2.7	4.7	3.9
Finland	12.8	13.0	11.7	13.9	10.4	2.3	12.7	12.6	2.1	13.7	10.9
Total	882.4	806.5	282.4	297.8	342.5	181.1	523.6	349.7	188.0	537.7	668.8
Share of total core[b]	96.2	95.9	92.6	98.5			96.6			95.2	94.2

[a] The European Union is a major contributor to WFP core resources, contributing $32.3 million in 1996.

[b] Percentage.

/...

Table 2. Contributions to United Nations funds and programmes, 1991-1995

(Millions of United States dollars)

		UNDP	UNDP admin.	Subtotal	%	UNFPA	%	UNICEF	%	WFP[a]
1991	Core	1 022.0	63.5	1 085.5	81	219.3	98	590.0	63	
	Other	220.0	39.8	259.8	19	4.7	2	217.0	37	
	Total	1 242.0	103.3	1 345.3		233.0		807.0		1 401.1
1992	Core	1 073.8	55.9	1 129.7	76	233.2	98	707.0	58	
	Other	408.0	30.3	438.3	24	5.0	2	231.0	42	
	Total	1 481.8	86.2	1 568.0		238.2		938.0		1 734.9
1993	Core	909.0	47.3	956.3	66	217.0	99	588.0	59	
	Other	409.3	24.2	433.5	34	2.7	1	278.0	41	
	Total	1 318.3	71.5	1 389.8		219.7		866.0		1 435.1
1994	Core	942.8	63.6	1 006.4	60	254.5	96	679.0	53	
	Other	676.6	10.6	687.2	40	10.7	4	327.0	47	
	Total	1 619.4	74.2	1 693.6		265.2		1 006.0		1 515.0
1995	Core	911.0	78.1	989.1	58	305.0	91	541.9	54	
	Other	701.0	14.3	715.3	42	32.1	10	464.7	46	
	Total	1 612.0	92.4	1 704.4		337.1		1 006.6		1 282.4

[a] Core and other resources not available.

Table 3. Contributions to the United Nations Development Programme, 1991-1995

(Millions of United States dollars)

	1991	1992	1993	1994	1995
UNDP core	1 022.0	1 073.8	909.0	942.8	911.0
UNDP other resources[a]	220.0	408.0	409.3	676.6	701.0
Subtotal	1 242.0	1 481.8	1 318.3	1 619.4	1 612.0
UNDP admin. funds core[b]	63.5	55.9	47.3	63.6	78.1
UNDP admin. funds other resources[a]	39.8	30.3	24.2	10.6	14.3
Subtotal	103.3	86.2	71.5	74.2	92.4
Grand total	1 345.3	1 568.0	1 389.8	1 693.6	1 704.4

Source: Financial statements of the United Nations Development Programme.

[a] Including cost-sharing and government cash counterpart contributions.

[b] Including the Capital Development Fund, the Special United Nations Volunteer Fund, the United Nations Fund for Science and Technology for Development, the United Nations Development Fund for Women, and the Trust Fund for Sudano-Sahelian Activities, as well as other funds, accounts and trust funds of UNDP, including trust funds established by the Administrator, and contributions for the Junior Professional Officers programme; also includes cost-sharing contributions to those funds.

Figure I. United Nations Development Programme core and other resources

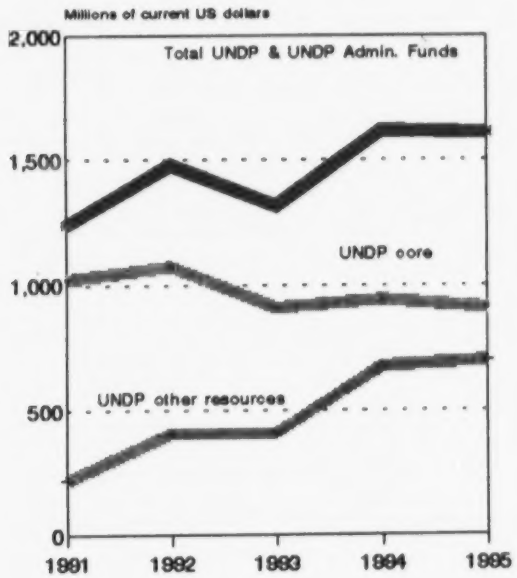


Figure II. United Nations Development Programme-administered funds core and other resources

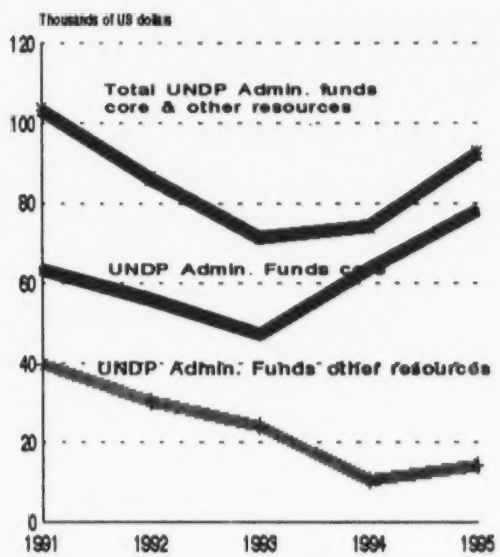


Table 4. Contributions to the United Nations Population Fund, 1991-1995

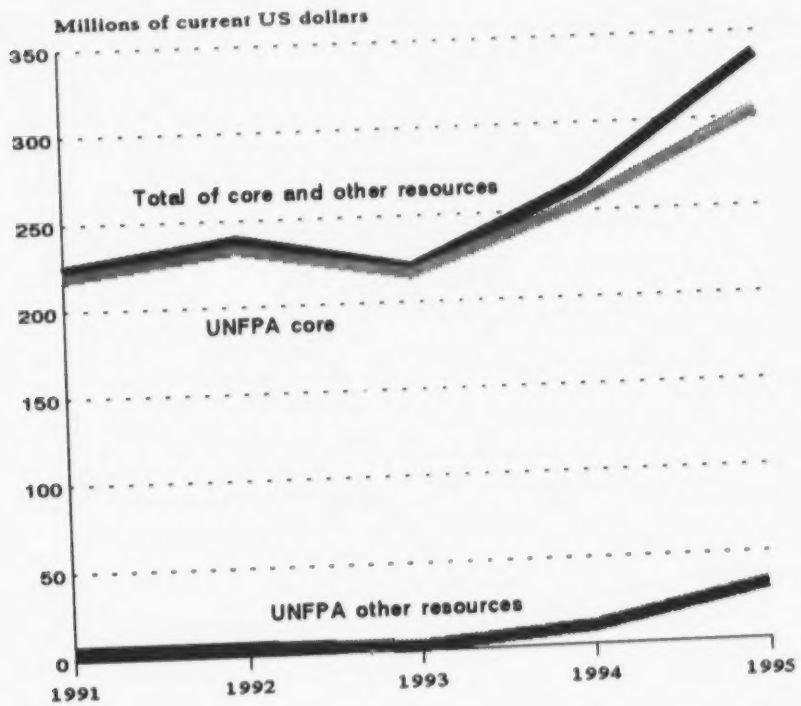
(Millions of United States dollars)

	1991	1992	1993	1994	1995
UNFPA core	219.3	233.2	217.0	254.5	305.0
UNFPA other resources[a]	4.7	5.0	2.7	10.7	32.1
Grand total	223.0	238.2	219.7	265.2	337.1

Source: UNFPA financial statements, 1995.

[a] Including contributions to trust funds and special population programmes of UNFPA.

Figure III. United Nations Population Fund core and other resources



UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/1997/65/Add.2
30 May 1997

ORIGINAL: ENGLISH

Substantive session of 1997
Geneva, 30 June-25 July 1997
Item 3 (b) of the provisional agenda*

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION: FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY

Addendum

Field- and regional-level coordination

Report of the Secretary-General

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I. COUNTRY-LEVEL COORDINATION: THE RESIDENT COORDINATOR SYSTEM AND RELATED MECHANISMS

A. Introduction

1. The present report reviews current issues in field coordination, with special reference to the relevant provisions of General Assembly resolutions 47/199 and 50/120. Those provisions include a strengthened role for the resident coordinator system, its effective functioning through thematic groups and field-level committees, including by reviewing and amending programmes and projects; widening the pool for the recruitment of resident coordinators; improved performance appraisal; and increasing support for the resident coordinator function. There are specific directives on the country strategy note, coherence of the resident coordinator system in countries that have not adopted the country strategy note, and steps to be taken in the areas of the programme approach and national execution to improve system-wide collaboration.

2. The present report covers a wide range of subjects that facilitate cooperation by the United Nations system at the country level, and includes information on common premises and shared services, joint evaluation and monitoring, and a number of other subjects that were previously considered individually.

3. Field-level coordination within the United Nations system involves in the first instance the resident coordinator system. An analysis of progress in the functioning of the system is of particular importance, and is presented below at three levels: (a) action at the global level to clarify mandates and functions and strengthen the system by widening the recruitment base, improving performance appraisal and providing guidance to the field; (b) action at the country level; and (c) emerging issues and requirements.

B. Assessment of the functions of the resident coordinator system

4. The following steps have been taken to strengthen the resident coordinator system at the global level:

(a) In his letter of 17 March 1997 to the President of the General Assembly, the Secretary-General announced decisions made on 17 March 1997 to achieve greater coherence of the United Nations system at the country level (see A/51/829). He also charged the Executive Committee of the Development Operation Group with the implementation of his directives. A range of practical measures to strengthen the resident coordinator system are being introduced to better define the dual responsibilities of resident coordinators and the resident representatives of the United Nations Development Programme (UNDP), and to ensure a broader selection of highly qualified candidates with recent experience in United Nations system organizations, build an appraisal system focused on competence and results, foster the team concept at the country level, provide support to the resident coordinator system (resources and headquarters backstopping), support training and simplify the clearance process;

(b) At the Administrative Committee for Coordination (ACC) level, in particular the Consultative Committee on Programme and Operations Questions (CCPOQ), new guidelines for the resident coordinator system and related programme issues will be finalized during the second half of 1997. Moreover, the CCPOQ working group on the resident coordinator system reviewed system-wide questions on the functioning of the resident coordinator system. It agreed on the scope and content of the new guidelines, approved the steps taken by UNDP to widen the recruitment pool for resident coordinators, and agreed to introduce an appraisal system focused on competence and results, as well as a training system for the resident coordinator system, improvements in the annual reports of the resident coordinator system, and the extension of the common country assessment project, initiated by the Joint Consultative Group on Policy (JCGP), to all interested United Nations system organizations;

(c) The United Nations organized a workshop on best practices in the resident coordinator system and related matters in cooperation with the United Nations Staff College in February 1997 at the International Labour Organization (ILO) International Training Centre at Turin. The results of the workshop will lead to system-wide guidelines;

(d) A number of measures have been taken to implement General Assembly resolution 50/120 in the area of the resident coordinator system:

(i) The widening of the pool now includes, in addition to the JCGP member bodies, the four large specialized agencies (the Food and Agriculture Organization of the United Nations (FAO), the ILO, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO)). They all submitted candidates and participated in annual consultations on the roster in December 1996;

(ii) Vacancy announcements for resident coordinators are the subject of consultations with the host Government. When the position of the resident coordinator has involved humanitarian coordination responsibilities, consultations have been held with the Department of Humanitarian Affairs of the United Nations Secretariat. Consultations are also held with the Department of Public Information of the United Nations Secretariat when the resident coordinator is carrying out United Nations information centre responsibilities;

(iii) A special effort is being made to increase the number of women resident coordinators;

(iv) Management support to the resident coordinator function is being strengthened by the Administrator of UNDP in his capacity as designated official by the Secretary-General for providing management support;

(v) Resources devoted to the resident coordinator system by the UNDP Executive Board now represent 1.7 per cent of core resources devoted to the specific programme activities assigned by the General Assembly (estimated at $17 million). It is estimated that about 30 per cent of the budgets of UNDP field offices supports the operational activities

of the United Nations system (the Board allocated $48 million per year to that end);

(vi) Training of resident coordinators and other senior field representatives is a continuing priority. Almost 80 country teams have undergone team-building training, and a new generation of workshops is in the process of being developed under the aegis of CCPOQ.

5. In general, there is a trend towards increased team participation in the resident coordinator system as part of the team concept. It has been shown that success depends on the capacity of all members of the United Nations system to involve themselves fully in the team's work. This requires a management style by all concerned which balances the leadership of the resident coordinator in the principal initiatives of the United Nations system with appropriate delegation of responsibilities to member organizations based on the lead-agency concept.

1. Thematic working groups

6. Thematic working groups, although important mechanisms, have not always worked with full effectiveness. Based on the 1996 reports of the resident coordinators (107 reports as of April 1997), such groups can be found in at least 84 out of 107 programme countries. However, this does not mean that those groups already play a major role in the functioning of the resident coordinator system. In some countries, their role is limited to formal inter-agency information or negotiation, so that they still play a marginal role. In most countries, other coordination meetings, sometimes informal, take place to exchange information on their respective programmes. In many cases, they have allowed the improvement of system-wide collaboration, especially at the intermediate level, among professional cadres. They also represent a practical way to implement the lead-agency concept, providing the opportunity for organizations to be in charge of specific groups, based on mandate and competency.

7. Thematic working groups address such issues as gender, the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), food security and nutrition, reproductive health, displaced population, disaster management, water, peace process and governance, education, environment, youth, children in difficult circumstances and drug-related problems. Sometimes, thematic groups address more broadly defined issues, such as social development and economic development, or even more broadly defined issues, such as poverty eradication, sustainable human development and/or the social dimensions of development. In administrative areas, inter-agency groups may address such issues as security, housing, local salary survey, post adjustment and post classification. When a group is supported by adequate technical professional capacity and resources, it is likely to achieve tangible results.

8. Thematic groups are sometimes open to the participation of non-United Nations officials, such as representatives of civil society organizations and donors, as required. Participation of government officials is frequent.

2. Follow-up to major conferences

9. The Council, at its substantive session of 1995, took note of the initiatives undertaken by the United Nations system, at the ACC level, on the coordinated follow-up to major international conferences in the economic, social and related fields. The Council recognized that those conferences should be viewed as interlinked and contributing to an integrated framework of a global partnership for development. Although Governments have the primary responsibility for implementing declarations and programmes of action adopted by international conferences, the Council recognized that the United Nations system has an important role in contributing to, assisting in, facilitating and reviewing the progress of the implementation of the results of those conferences and further promoting their goals and objectives.

10. At the global level, ACC has established a number of inter-agency groups in order to provide integrated support for country-level action on interrelated themes, namely basic social services for all; enabling environment for economic and social development; employment and sustainable livelihoods; women and gender equality; and sustainable development. At the regional level, the regional commissions, in their periodic inter-agency meetings with regional representatives of United Nations bodies, address the regional aspects of the follow-up to conferences.

11. At the country level, the General Assembly acknowledged the role of the resident coordinators in facilitating, in full consultation with national Governments, a coherent and coordinated United Nations follow-up to major international conferences at the field level. The combined outputs of global conferences are to be absorbed through coordinated integration into national processes, based on the concept of the programme approach, so that strategies and programmes that are inspired by global agendas also genuinely reflect national priorities and needs. However, few countries have achieved such a coordinated integration.

12. System-wide efforts to promote follow-up to international conferences are not always effective, although they may have been crucial in ensuring Governments' participation in those conferences and establishing integrated conceptual frameworks for national policies. In this respect, two critical issues arise: (a) the underlying relationship between Governments and the United Nations system may be excessively dependent on the system's support, so that the follow-up is too supply-driven; and (b) country-level objectives and analyses identified in global agendas require an effort to be channelled through national processes.

3. Information-sharing of planned activities within the resident coordinator system

13. Information-sharing is one of the key areas in which the resident coordinator system shows substantive achievements and is increasingly extended to national entities, both governmental and non-governmental. Information-sharing includes common data banks in which the system has made progress recently through work on the common country assessment, a tool that should

permit the formulation of common situation analyses. The assessment will be integrated with the country strategy note formulation and the country assistance development framework, where applicable, as a system-wide response to national priorities. About 46 per cent of the resident coordinators reported that consultations among JCGP member bodies have taken place concerning harmonizing the information system needed for the common country assessment. Thirty-six per cent of the resident coordinators have reported that JCGP member bodies have reached an agreement to undertake the preparation of the common country assessment in their programme countries, and in some cases preliminary work has already begun; however, about 30 per cent of the resident coordinators have indicated that there are currently no plans for the preparation of an assessment.

14. Policy analysis should be singled out as one of the most promising information-sharing activities, as shown by country examples in which coordinated efforts are being conducted. The significance of those efforts will be enhanced if a wider participation of United Nations system organizations is ensured, linking policy analysis with the common country assessment and country strategy note processes.

15. Improvement of electronic communication within the United Nations system through the Local Area Network and common access to the Internet has been singled out as a prominent area to develop in several countries.

16. While information-sharing with the Bretton Woods institutions needs to be further enhanced, there is evidence of increasing involvement of the World Bank and the International Monetary Fund in the formulation of the country strategy note, when the Government so decides, especially when they are represented at the country level.

17. Information-sharing or consultation is widely pursued for operational and administrative matters, as well as for substantive and programme issues. Nevertheless, information on programme matters is often confined either to general exchange of views or ex post facto information, limiting actual coordination of programme activities. Although ex post facto information is useful, it is insufficient to ensure effective programme coordination.

4. Support of the resident coordinator system to donor contribution

18. Some Governments call on the coordinating function of the resident coordinator to facilitate consultation with the donor community. In those cases, the resident coordinator facilitates policy dialogue and frequent consultations with donors. That role is always carried out in support of the Government, through information-sharing, a functional division of responsibilities with bilateral donors, and using the neutrality of the United Nations system in facilitating the policy dialogue between the donor community and the Government. That role can be particularly relevant when dealing with sensitive issues because of the United Nations neutrality in providing advice and technical support on policy formulation and capacity-building.

19. Periodic meetings with bilateral donors are carried out with the consent of the host Government. They facilitate the policy dialogue between the Government and donors, serve a liaison function between the Government and the donor community, contribute to donor coherence, provide a forum for information exchange, and facilitate the preparation of round-table and consultative group meetings. The success of such contributions by the resident coordinator often depends on the capacity of the resident coordinator system to mobilize high-quality technical support to that coordinating function.

20. In some countries, the participation in donor meetings of resident coordinator system members other than the resident coordinator has been limited. The fuller realization of the potential contribution by the United Nations system to country-level coordination requires high-quality, timely, relevant technical inputs generated on the basis of the respective areas of competence of United Nations system organizations.

5. Shared and collaborative programming

21. Progress to establish system-wide mechanisms for shared and collaborative programming appears to be slow. In general, consultation on general orientations of respective programmes occurs, but there are no specific modalities and procedures for harmonizing and integrating the formulation of individual programmes. One essential step not yet generally followed is for each agency to share major programme and project ideas with agency partners at the outset before they have invested time and money on their elaboration and so become resistant to examining alternative ways to tackle development problems.

22. The harmonization of programming cycles is an ongoing effort within JCGP. Although it does not mean harmonization of programmes, the expectation was that synchronization cycles would facilitate the eventual harmonization of programming, in view of the fact that Governments would have an overview of at least four programmes at one time. The introduction of programming changes at UNDP and to some extent at the World Food Programme (WFP) has affected that effort. As of March 1997, 27 countries have harmonized their cycles and another 54 are scheduled to be harmonized by 1999.

23. The Secretary-General has requested all United Nations funds and programmes to join together in common United Nations development assistance frameworks, under the resident coordinator as the leader of the United Nations country team, in the preparation of a common programme and programme-resource framework at the country level, in full consultation with and in support of the Government.

6. Functioning of the field-level committees, including review of programmes and projects prior to their approval

24. In most countries, the basic inter-agency consultation mechanism within the resident coordinator system is the periodic meeting among heads of agencies, which responds to the field-level committee as per paragraph 40 of General Assembly resolution 47/199.

25. The General Assembly decided that the field-level committee should review substantive activities of the United Nations system, including draft country programmes, sectoral programmes and projects, prior to approval by individual organizations, and should be one of the main vehicles to exchange experience acquired within the United Nations system. For that purpose, the above-mentioned workshop held at the ILO International Training Centre at Turin in February 1997 suggested that a United Nations system country programme review committee be established in each programme country.

26. In their annual reports, resident coordinators confirmed that field-level committees are established in 86 out of 107 countries. However, country experience shows that, with the exception of the resident coordinators, country representatives of United Nations organizations and bodies often ignore the rationale and functions of the field-level committee. The regularity and frequency of the heads of agencies meetings vary from country to country, and so does their formality.

27. Resident coordinators in 46 out of 107 programme countries have reported that the field-level committees deal with substantive issues in the review of programmes and projects prior to their approval by individual organizations, including draft country programmes, as indicated in paragraph 41 of General Assembly resolution 50/120. In 61 out of 107 cases, resident coordinators have reported that the field-level committee has enhanced the participation of the various United Nations system organizations and bodies in each other's country programming processes, including mid-term reviews, as well as their collaboration in needs assessment and situation analysis. The agendas of heads of agencies meetings include practical and administrative issues, the exchange of information on political conditions prevailing in the country, the support of the United Nations system in the preparation and follow-up of international conferences, the formulation of the country strategy note, the preparation of common country assessments and the formulation of common positions on development issues.

28. However, it is not clear whether a regular and systemic review of substantive activities takes place in the field-level committee leading to the adoption of formal system-wide decisions with a bearing on the orientation, definition, approval and harmonization of new programmes.

7. Role of the resident coordinator in proposing amendment of country programmes and enhancement of the responsibility and authority of the resident coordinator

29. In paragraph 39 of its resolution 47/199, the General Assembly provided the basis of the present functions of the resident coordinator. In his letter of 17 March 1997 (A/51/829), the Secretary-General reiterated that the role of the resident coordinator, as his designated representative for development cooperation and leader of the United Nations country team, should be further strengthened and enhanced. In paragraphs 39 and 40 of its resolution 50/120, the General Assembly reiterated the resident coordinator's level of responsibility and authority, making him/her responsible for facilitating the coordinated United Nations follow-up to major international conferences at the

country level, and requesting that the resident coordinator be informed of planned programme activities of the United Nations system organizations at an early stage of formulation. The need to enhance the resident coordinator's level of responsibility and authority for the planning and coordination of programmes is reaffirmed in paragraph 42 of the resolution, allowing the resident coordinator to propose to the heads of United Nations organizations, where required and in full consultation with the Government, amendments of country programmes and major projects and programmes in order to bring them into line with the country strategy note.

30. Experience indicated that a fundamental factor for a successful resident coordinator system is for all the members of the United Nations country team to accept that the resident coordinator function is important. The resident coordinator and his/her colleagues need to establish system-wide relations based on a collegial and a team approach within the United Nations system.

31. However, the authority for the resident coordinator in appraising new proposals for action or programmes is not recognized, in strictu sensu. That function would also require an increase in the professional support for the resident coordinator.

32. In its resolution 50/120, the General Assembly invited the whole United Nations system to provide support to the resident coordinator system; however, there are no clear indications of how the organizations other than UNDP are responding to that invitation. In some specific cases, a jointly funded inter-agency support unit for the resident coordinator function has been set up to assist some of the substantive, administrative, security and reporting functions of the resident coordinator. In other cases, some joint funding has been achieved by the initiative and drive of the resident coordinator concerned to support the formulation of the country strategy note or other common tasks. Contribution in kind, with professional support provided by personnel of individual organizations, is occurring but is not systematic.

33. Several country representatives of the United Nations system have highlighted the lack of adequate incentives for them to devote time to supporting resident coordinator system functions. The system may rely too much on personal efforts, without supporting them with resources or recognition in career development or other types of management support.

8. Country coordination and relations with the Bretton Woods institutions

34. In its resolution 1996/43, the General Assembly called for practical collaboration in various aspects of operational activities between the Bretton Woods institutions and the rest of the system. Collaboration of the United Nations system with the Bretton Woods institutions at the country level includes: (å) data collection, establishment of data banks, information-sharing of development situation and policy analysis; (b) consultation on policy orientations, structural adjustment programmes, strategy meetings, sectoral programming, external assistance needs and coordination, including the policy framework paper formulated by the Government, in collaboration with the Bretton

Woods institutions, and the country assistance strategy formulated by the Government, in collaboration with the World Bank; (c) formulation of the country strategy note and other similar frameworks and participation in its preparatory works; (d) collaboration in the policy dialogue with the programme countries in an open exchange of views with the entire international community; (e) joint financing of specific initiatives or executing arrangements between two or more institutions, which involves collaboration between the United Nations system and the Bretton Woods institutions; and (f) collaboration with supporting Governments of programme countries in external assistance coordination.

35. Although consultation between the Bretton Woods institutions and resident coordinators covers a variety of areas, it is not uniform. The main factor is the extent to which the resident coordinator system is involved in the consultation process between the Government and the Bretton Woods institutions, as well as the involvement of the Bretton Woods institutions in the consultation process between the Government and the United Nations system.

36. Consultation with the Bretton Woods institutions takes various forms. Joint participation in mixed working groups or sectoral or thematic round tables, under some kind of agreed leadership of one or more entities, is frequent. Sectoral collaboration occurs in such areas as public administration; agriculture and forestry; education; financial and macroeconomic management; national accounts and statistics, including social indicators; poverty eradication and social development strategies; HIV programmes; water and sanitation; and physical infrastructures.

37. The relations between the resident coordinator system and the Bretton Woods institutions are improving. Based on their 1996 annual reports, nearly 80 per cent of the resident coordinators rated the ongoing collaboration with the World Bank and the IMF from fairly to highly effective. About 10 per cent of the resident coordinators viewed that collaboration as rather weak. Out of 105 resident coordinators' reports, almost all confirmed that the resident coordinators had tried to strengthen collaboration with the Bretton Woods institutions at the country level.

38. Resident coordinators suggested intensifying the participation of the Bretton Woods institutions in joint programming as well as joint monitoring and evaluation exercises at the country level. Equally important is the intensification of their participation in the country strategy note process and similar exercises. Several resident coordinators believe that a more effective collaboration in country operations should be encouraged both by Bretton Woods institutions and the United Nations system organizations at headquarters level, while another group of resident coordinators suggests that the Bretton Woods institutions be associated in the joint programming consultation of the United Nations system, through common participation in periodic meetings on programming and coordination, and regular consultation on planning and strategy issues. That type of consultation is already effective in several countries.

9. The resident coordinator system and administrative aspects of the resident coordinator function: common premises and common services

39. In 34 countries, the JCGP funds and programmes represented in each country share common premises. In paragraph 44 of its resolution 50/120, the General Assembly requests that JCGP and, to the extent possible, the specialized agencies, make substantial efforts to achieve common premises, on the basis of cost-benefit analyses, avoiding increased burdens on host countries. The Secretary-General, in his above-mentioned letter of 17 March 1997, reiterated that the drive to establish common premises and common services arrangements at the country level will be intensified. The Secretary-General has underlined that the establishment of common premises and common services may serve to encourage a daily habit of coordination, cooperation and consultation. Implementation of common services arrangements at the country level may also release resources for programmes. The common premises issue will be the object of a thorough evaluation in the course of 1997.

40. For those countries where common premises have been established, even partially, their management is often entrusted to UNDP, although various mechanisms have been established, under the leadership of the resident coordinator, to ensure proper consultation in the management process. Sometimes, an inter-agency common premises board is established.

41. There is also scope for increasing joint services at the country level. Common services arrangements are in effect in several areas: security, maintenance, reception, staff services, communication, conference rooms, travel agents, financial and banking services, local transportation etc.

10. Harmonization of rules and procedures

42. In paragraph 45 of its resolution 50/120, the General Assembly calls for further simplification and harmonization of rules and procedures used by the United Nations development system in its operational activities. In particular, at the country level, sharing of administrative systems and services and the development of common databases are encouraged. The Secretary-General, in his above-mentioned letter of 17 March, while stressing the need to establish common services arrangements at the country level, indicated that all United Nations funds and programmes will be requested to collaborate at the country level for the preparation of a common programme and programme-resource framework and a common United Nations development assistance framework. All those new proposals require a special effort to harmonize programming rules and procedures.

43. One common complaint at the country level, made both by Governments and by entities of the United Nations system, is the frustration of dealing with too many planning and programming processes at the same time, with a consequent burden for government officials and country offices.

11. Programme approach

44. A system-wide effort is under way to improve the consistency and the impact of programming activities through the adoption of a common interpretation of the programme approach, as required by the General Assembly in paragraph 13 of its resolution 47/199. The General Assembly had requested, in paragraph 28 of its resolution 50/120, that the definition and guidelines for the programme approach be improved. The Economic and Social Council, in its resolution E/1996/42, paragraph 2 (a), stressed the need to further simplify and harmonize proce[illegible]s and allow sufficient flexibility for their application at the country le[illegible]. The review process of improving definitions and system-wide guidelines of the programme approach is under way.

45. Country experience has showed that there is still a lack of common understanding among United Nations system organizations on how to implement the programme approach. In some cases, the programme approach is replaced by generic references to broadly defined development policies or strategies, which are the global frameworks that link otherwise separate individual projects. The difficulties registered in the 1995 biennial comprehensive policy review concerning the utilization of this approach are still confirmed in many countries, where different interpretations of the programme approach still prevail. The absence of a coherent national programme framework is often cited as one reason for difficulties in implementing the programme approach.

46. Nevertheless, there are considerable efforts to introduce the programme approach system-wide in many countries. Examples of the programme approach can be found in such areas as the fight against AIDS and social issues or on the occasion of comprehensive evaluation of sectors, such as housing, environment, rural education, food security and rural development. The link between the country strategy note and the programme approach should be strengthened, an issue that will be taken up in the revised guidelines.

47. The programme approach has been linked to the decentralization of development planning to regional or provincial levels in some countries, and to the interest of United Nations system organizations to focus their efforts in priority areas in order to maximize their development impact.

48. Simplification of the programme approach procedures and their harmonization within the system has still to be achieved. United Nations system organizations and other donors continue to have their own procedures and accountability requirements, so that national institutions managing those programmes are often obliged to operate under a myriad of rules and accountability procedures. Some United Nations country teams have cited a lack or inadequacy of operational guidelines for using the programme approach system-wide, requiring country experimentation.

49. Appropriate forms of training are also required to make the programme approach a more relevant operational concept system-wide, allowing the operational programming of the various United Nations system organizations to be harmonized.

12. Country strategy note

50. The General Assembly has reiterated, in paragraph 17 of its resolution 50/120, its emphasis on the country strategy note as a voluntary initiative of recipient countries, conducted with the assistance of and in cooperation with the United Nations system, under the leadership of the resident coordinator. In paragraph 18 of the resolution, the Assembly highlighted the nature of the country strategy note as a common framework for country programmes of United Nations system organizations and for programming, monitoring and evaluation of those activities.

51. A new element introduced in General Assembly resolution 50/120, paragraph 18, was the specific indication of the level of resources when outlining the United Nations system contribution in the country strategy note as they are needed to meet the requirements in the country strategy note. Finally, the General Assembly requested the Secretary-General to review the guidelines in order to promote greater consistency and clarity in the United Nations system contribution to the country strategy note (see General Assembly resolution 50/120, para. 19 (a)). In paragraph 19 (b), the Assembly requested the Secretary-General to enhance the operational relevance of the country strategy note by ensuring that the development of individual country programmes takes fully into account the framework provided by the country strategy note, where it exists.

52. To date, 26 countries have formally adopted a country strategy note (14 countries were reported in the 1996 progress report to the Council). Final drafts of the country strategy note are being considered by Governments for approval in another eight countries, while preliminary drafts have been prepared in a further 11 countries. Of the 144 countries for which information is available, 92 Governments have declared their intention to pursue the country strategy note process, an increase of four over the 1996 level. More importantly, 60 of the 92 countries are involved in a fully active process for the formulation and implementation of the process, an increase of nine countries over the 1996 level. This group includes 45 countries in which a country strategy note has been produced in some form, either definite or provisional (an increase of 18 countries over the 1996 level), as well as 15 other countries in which the formulation process has become particularly active in the last 12 months and for which there are well-founded expectations that the country strategy note will soon become available.

53. The full review of the state of implementation of the country strategy note will be presented in 1998, when the new guidelines will be finalized. The country strategy note should provide the frame of reference for country programmes, allowing the harmonization of plans, priorities and strategies within the resident coordinator system. Country missions and additional information available have indicated a differentiated experience, as far as the formulation of the country strategy note is concerned. There are a few countries in which country strategy note formulation has been thorough and successful, and others where the process has appeared to be quite inadequate. The success of the first group is mostly due to the strong involvement and leadership of the Government and the extensive involvement of the United Nations system organizations.

54. The formulation of the country strategy note has led to useful achievements in the first group of countries, such as the establishment of a better programming coordination framework between the Government and the United Nations system, improved information-sharing, a suitable frame of reference for any entity which is engaged in development cooperation in the programme countries, and - of special note - a suitable frame of reference for the formulation of the country programmes of United Nations funds and programmes. In some cases, it was also suggested that the country strategy note is a good tool to facilitate team-building within the United Nations system.

55. In some cases, country strategy note formulation was facilitated by a comprehensive analytical review of the past cooperation of the United Nations system, which allowed the identification of the main themes of cooperation, thereby outlining the potential role of the system support. Such a review has been generally summarized in a paper, which is often one of the background documents for the formulation of the country strategy note.

56. The Bretton Woods institutions are usually involved in the formulation of the country strategy note, which has been welcomed by Governments.

57. United Nations specialized agencies sometimes perceive the country strategy note as a less relevant document as a frame of reference for their programming, especially because they do not use the mechanism of country programming.

58. Despite efforts to the contrary, the country strategy note is often perceived as a United Nations document. Changes in the public administration and the United Nations system country team may affect the potential use of a country strategy note previously adopted. Turnovers of government officials may alter the feasibility or the utilization of the exercise, especially if the formulation process has not been sufficiently participatory and has not created a collective critical mass in support of the country strategy note exercise on the part of the Government.

59. In countries where the country strategy note has not produced the expected results or where the country strategy note is not expected to be in place soon, there is still a need for a consistent response of the United Nations system to the development priorities and policies and plans of the Government, as requested in paragraph 14 of General Assembly resolution 50/120. The alignment of country programmes and major activities of United Nations system organizations to a consistent programming framework should be pursued in any case.

13. National execution

60. In paragraph 29 of its resolution 50/120, the General Assembly requests the organizations and bodies of the United Nations system to undertake efforts, in the context of national execution and capacity-building, to enhance the absorptive capacity in developing countries. The General Assembly also reiterated the important role of the specialized agencies of the United Nations system in transferring and facilitating the necessary technical and substantive expertise to support the national execution of United Nations-funded programme

and projects (para. 30) and requested (para. 28) the United Nations development system to improve the definition and guidelines for national execution. Attention is focused below on the implementation of national execution and its definition.

61. The status of implementation of national execution varies from country to country, although 80 per cent of the resident coordinators reported that there is a systematic policy in place for strengthening capacities for national execution in their respective programme countries. Over half of all resident coordinators (56 per cent) rated as significant the extent to which national execution has contributed to promoting the use of existing national capacities, while another quarter of all resident coordinators considers the national execution modality as capable of producing some contribution to the use of national capacities.

62. One of the major constraints to the expansion of national execution is the availability of executing capacities in the country, the need for related institutional development, and the adequacy of national procedures.

63. Notwithstanding CCPOQ guidelines, national execution is diversely defined by various United Nations system organizations in their concrete operations. UNDP and to a lesser extent the United Nations Population Fund (UNFPA) have been more directly involved in the expansion of national execution. They supported the enhancement of the national capacity required to make use of the new modality, moving from a tripartite relationship with the Government and United Nations executing agencies prevailing in the past to a bilateral relation between UNDP or UNFPA and the Government. In the latter case, technical agencies are involved only as cooperating or implementing agencies, if the Government desires to maintain the use of their services.

64. In the case of activities funded by UNDP and UNFPA, the introduction of the national execution modality has entailed the transfer of the global responsibility for project execution to either the Government itself or a designated national entity. That transfer has generated a number of consequences, including the more frequent utilization of national professionals in performing project assignments that were discharged by expatriates, even though national execution does not necessarily involve the recruitment of nationals. In several countries, it has been noted that national execution is often confused with the exclusive use of national inputs to the detriment of exchange of international experience and best practice which in the long run can retard self-reliance and pace of development.

65. The mode of national execution of the United Nations Children's Fund (UNICEF) retains financial and technical control of the programme components and uses national institutions as implementing bodies. The functions of the Chief Technical Adviser and project directors of UNDP and UNFPA initiatives are subsumed, in the case of UNICEF, in the field office.

66. In general, United Nations technical agencies, in the use of non-UNDP funds, execute the projects themselves, although they involve national institutions in their implementation and make increasing use of national

personnel as project managers, as compared with the past prevalence of expatriate chief technical advisers.

67. In most countries, national execution is in reality government execution, as there are very few local non-governmental organizations that are given executing responsibilities. More frequent is the use of local non-governmental organizations for national implementation of United Nations-supported initiatives.

68. In some countries, United Nations system representatives interviewed in country missions have identified the following practical problems in the application of national execution: conflict of interest of local personnel, inapplicability of the national execution modalities to the other development projects carried on by the national authorities which are not funded by United Nations entities, ambiguity about accountability, and excessive zeal for national ownership and national inputs.

69. The application of the national execution modality is generally supported by most Governments, although public authorities may sometimes highlight deficiencies, especially as United Nations system procedures for national execution are considered too complex and not uniform, and often stress the need to continue to rely on specialized transfer of knowledge, which may justify the use of other executing arrangements in some cases.

70. The role of cooperating arrangements with specialized agencies is, on the whole, quite marginal. By and large, the rapid extension of national execution in most countries has resulted in reduced opportunities open to United Nations technical agencies to contribute their technical expertise effectively through UNDP-funded programmes.

14. Monitoring and evaluation

71. In both General Assembly resolution 50/120 and Council resolution 96/42, strong and specific reference is made to actions that needed to be taken by the United Nations system with respect to the monitoring and evaluation of operational activities. The system has been active in responding to those calls. For example, both the Assembly and the Council have requested that thematic evaluations and programme reviews of operational activities be undertaken jointly, making the fullest possible use of national capacity. Although it is too early to draw strong conclusions, the annual reports prepared by resident coordinators for 1996 indicate that there has been some joint evaluation work in 40 per cent of countries reported on. Furthermore, 37 per cent of resident coordinators report plans to conduct joint mid-term and end-of-cycle reviews of relevant JCGP activities, which should lead to significant savings in the cost of programme review and evaluation, permitting resources to be made available to cover programmes in greater depth.

72. The Secretary-General's report on the 1995 triennial comprehensive policy review also indicated that the various parts of the United Nations system would consult on the scope and methodology of the impact evaluation foreseen for 1998, and would establish, as soon as possible, the essential baseline data needed and

the mechanisms to collect the data, so as to permit successful completion of the evaluation. From examination of the evaluation material being presented to the respective boards of the funds and programmes, it is apparent that greater attention is being paid to issues of impact, how to define it, measure or at least observe it.

73. UNDP, for example, has noted to its Executive Board that establishing baselines against which to measure progress in individual sustainable human development projects and programmes will require continuing attention. Evaluations tend to focus on operational process management rather than development impact. Although there has yet to be a concerted move by the system to set up the mechanisms to collect essential baseline data as a system, there have been extensive efforts within JCGP, led by UNFPA, to prepare a common country assessment which, once established, could provide the basis for such a mechanism.

74. Several agencies have been active in strengthening national capacity to participate in and benefit from evaluation: UNDP and UNFPA, through training of national officials, and UNICEF, through support to the use of improved monitoring data and strengthening of the associated national statistical capacity. Both UNDP and UNICEF have taken steps to widen usage of their growing evaluation databases, making them more accessible to users so as to promote learning from experience.

II. REGIONAL AND SUBREGIONAL DEVELOPMENT COOPERATION

A. Introduction

75. In paragraph 20 of its resolution 50/120, the General Assembly requested the Secretary-General, in consultation with Member States and United Nations organizations, to consider ways of enhancing the coordination of United Nations development activities at the regional and subregional levels, including ways of enhancing the role of the regional commissions and of promoting the national ownership of regional programmes. The present report constitutes an initial response to that request, and is designed to facilitate the consideration of the subject by the Council at its current substantive session.

76. Current intercountry programmes of the system are the product of a long history of active engagement at the regional and subregional levels. The system offers objective and neutral facilities and services, as well as an extensive institutional infrastructure at the country, subregional and regional levels, which no other organization can match.

77. The regional and subregional dimensions of development are increasing in importance and requirements are changing. Thus, the United Nations system must respond in new ways. Although the regional and subregional presence of the United Nations system is increasing, there is no apparent overarching framework to guide that process, and each organization is pursuing its distinctive approach, which may have practical value, but the overall value and impact of the United Nations system could be enhanced through a more coordinated approach.

78. The United Nations system makes an important difference in regional development cooperation, especially for the more disadvantaged and poorer countries. However, that role could also be enhanced by a less fragmented approach and greater coordination and convergence of development cooperation at those levels.

79. Moreover, the use of an agreed framework for resource allocations to regional operational tasks and greater symmetry in regional and subregional organizational arrangements would lead to appreciable gains to member countries. In moving in that direction, the distinctive role of intercountry programmes in operational activities should be recognized; they have a clear role in meeting specific types of requirements of recipient countries, and they have the potential to stimulate capacity-building.

B. General trends

80. Operational activities at the regional and subregional levels are initiated and implemented in response to individual requests by various partners, Governments, United Nations agencies, subregional and regional bodies, and research institutions, which tends to foster fragmentation. United Nations system activities are neither channelled through a strategic framework, nor are there mechanisms for a concerted dialogue between the United Nations system and the myriad of regional and subregional organizations that are now an important feature of regional development.

81. Moreover, there is an increasing diversity of economic structures within regions creating new complementarities and opportunities. Requirements in environmental areas, labour migration, drugs and crime demand new regional approaches, as do new issues in traditional sectors, such as agriculture, industry, education and health, which require cross-boundary responses.

82. There are many new regional and subregional groupings. Moreover, regional development banks, with major capacities in development financing (total disbursements by regional banks amount to about half those of World Bank institutions and are about the same as those of the United Nations system globally) and in technical assistance, have emerged as key players in the various regions.

83. In the United Nations system, UNDP remains the largest funder of regional development cooperation. The regional commissions have a high profile in their respective regions and maintain a large portfolio of regional operational activities, ranging from policy development to managing operational activities. Other agencies carry out important regional and subregional technical cooperation activities. Such agencies as the United Nations International Drug Control Programme (UNDCP), UNFPA and UNICEF undertake intercountry operational activities that largely emanate from their country activities. Such agencies as FAO, ILO, UNESCO, the United Nations Industrial Development Organization (UNIDO) and the World Health Organization (WHO) also have extensive links between country and intercountry operations.

84. The group of trade-related bodies in the United Nations system - the ILO International Trade Centre, the United Nations Conference on Trade and Development (UNCTAD) and the World Intellectual Property Organization (WIPO) - have important cross-border interests, as do the International Atomic Energy Agency (IAEA), the International Civil Aviation Organization (ICAO), the International Maritime Organization (IMO), the Universal Postal Union (UPU) and the World Meteorological Organization (WMO). Moreover, a relatively new agency - the Global Environment Facility (GEF) - and a number of related environmental agencies that have recently been established, have a major stake in intercountry approaches since many environmental issues can only be managed effectively through transboundary and intercountry action. Many of the smaller agencies, particularly those with a scientific and technical orientation, have a significant focus on intercountry approaches. Most of those small agencies have no country-level representation, and find regional and subregional projects and programmes to be the most appropriate approach to responding to requirements of developing countries. The recent decline in UNDP support has had a major impact on the activities of such agencies at the intercountry level.

1. Definitions and categories

85. There is a need for greater clarity in the definition of regional and subregional activities funded by the system since it is proving difficult to provide an overall picture of the current situation. A rough estimate based on figures provided by agencies is that about 10 per cent of operational activities expenditure is devoted to intercountry programmes (not including the Bretton Woods institutions). Resources for intercountry programmes by agencies are obtained from core budgets, UNDP and funds-in-trust, or are provided by bilateral donors. UNDP may account for about a quarter of all intercountry programme expenditures in the United Nations system, while the regional commissions probably account for between 5 per cent and 10 per cent. Total annual expenditures by the United Nations system on intercountry programmes can be estimated at $500 million. Regional development banks contribute roughly $100 to 150 million for regional technical cooperation.

86. One very striking feature of intercountry programmes is their variety and diversity. Economies of scale appear to be the most important rationale for intercountry programmes. There appears to be a growing demand for intercountry programmes to deal with transboundary activities, especially environmental issues. The major categories of intercountry programmes can be described as follows:

(a) Economies of scale: intercountry programmes are designed to enable cost-effective delivery of technical cooperation. Especially in such regions as the South Pacific and the Caribbean, problems of small island countries are effectively addressed through subregional approaches;

(b) Adding value to country-level activities: intercountry programmes are designed to provide regional services that are complementary to and add value to development activities at the country level. Agencies that use country support facilities at the regional or subregional levels consider intercountry programmes from that perspective;

(c) Exchange of experience: intercountry programmes facilitate the exchange of experience between countries (see the UNDP regional programme on macroeconomic reform in the Asia and Pacific region);

(d) Common problems and transboundary issues: intercountry programmes are designed to address problems that are common to more than one country in a region or subregion. Addressing them at an intercountry level is not only cost-effective but often the only way that the whole problem can be addressed. For example, many environmental issues also enable exchange of experience, pooling of knowledge and a division of labour in such areas as research and studies. That approach is particularly common for intercountry programmes related to the health sector, such as disease control, HIV/AIDS and the use of pesticides;

(e) Facilitating economic integration: intercountry programmes are focused on strengthening capacities for economic integration of regions and subregions, particularly in Africa and Latin America;

(f) Advocacy and policy development: an important element of advocacy and related policy issues is featured in the intercountry programmes of several United Nations system agencies. The Joint United Nations Programme on HIV/AIDS is engaged in that form of programme. Many activities have arisen in the follow-up to recent major United Nations conferences;

(g) Regional and subregional mandates: intercountry programmes, especially those of the regional commissions and of UNDP, are designed to implement the mandates of global, regional and subregional intergovernmental-level meetings;

(h) Strengthening regional infrastructure: intercountry programmes are designed to create and strengthen the capacities of regional and subregional institutions in many fields. Examples abound in Africa, where over 30 regional or subregional institutions have been supported at one stage by the United Nations system (see also the Statistical Institute for Asia and the Pacific (SIAP)). Similarly, in Latin America, PAHO has facilitated many regional institutions in the health sector. Other recent ventures of that kind include a joint Vienna institute for macroeconomic training in CIS countries, funded by the International Monetary Fund (IMF), the World Bank, the European Union, the European Bank for Reconstruction and Development (EBRD) and the African Capacity-Building Fund;

(i) Facilitating resource mobilization: intercountry programmes are organized to obtain support from bilateral donors on issues of mutual concern. Bilateral donors have expressed an interest in intercountry programmes in selected geographical areas on key issues.

87. Regional offices of United Nations system organizations play an important role in the design and implementation of intercountry programmes. It is estimated that there are over 100 regional and subregional offices of the United Nations system. Each organization has established its own regional offices without any apparent coordination with other partners. Three issues arise from this:

(a) Geographical coverage: each United Nations system organization uses its own definition of subregional and regional demarcation. That diversity in geographic coverage of offices makes cooperation more difficult, and coverage also varies with the different definitions made by important subregional organizations, such as the Association of South-East Asian Nations (ASEAN) or the South Asian Association for Regional Cooperation (SAARC) in Asia and the Pacific and the Southern Africa Development Community (SADC) in Africa. Such inconsistency may limit cooperation;

(b) Decentralization: a growing decentralization to regions and subregions is taking place in the United Nations system. New subregional offices and facilities are being opened by UNICEF and UNDP. UNDP has also given a regional and subregional dimension to its country offices through an enhanced role for the principal programme resident representative. FAO and ILO have strengthened their regional offices and increased their technical capacities. The Office for Project Services has established several new regional offices. The extent of delegation varies among agencies. Greater consistency might promote greater inter-agency cooperation, as anticipated in General Assembly resolutions 47/199 and 50/120;

(c) Advisory services: an important aspect of decentralization is the manner of organizing advisory services at the regional and subregional levels. Subregional offices are becoming centres of technical services that are on call by countries in the region or subregion. Many agencies have regional advisory services (for example, ILO and the country support teams of UNFPA). With the strengthening of those regional offices and regional teams, a division of labour appears to be emerging between regional and country offices.

88. Effort is required to establish agreed definitions, classification and categorization of intercountry programmes for policy and operational purposes, and for the disaggregation of financial information. There is a need for improved information on contributions to regional and subregional activities, which would promote greater transparency and more information flows, and a greater recognition by recipient countries and bilateral donor agencies of the potential of that form of technical cooperation.

C. Coordination questions

1. Approaches

89. Several approaches to coordination at the regional and subregional levels can be discerned. There is an increasing effort by UNDP to link regional and subregional programmes and country cooperation frameworks. Moreover, the role of the principal programme resident representative (a resident representative, usually in the host country of a project), in managing an intercountry programme has been strengthened. The resident coordinator system is important for increasing coordination between operational activities at the country and intercountry levels; it provides the framework for linkages across agencies. Furthermore, the country strategy note where it exists, can facilitate such linkages. Country framework documents, such as the country cooperation

framework of UNDP, already make explicit provision for recognizing linkages with UNDP intercountry operational activities.

90. There is an increased integration of activities at the regional, subregional and country levels of individual United Nations agencies, such as UNDCP, UNFPA and UNICEF, and also of the various specialized agencies. Thematic and sectoral coordination appear to be the most common form of intercountry coordination. In thematic and sectoral coordination, there is usually a lead United Nations agency to manage coordination arrangements. Sectoral and thematic evaluations could be an important instrument in developing coordinated strategies within the United Nations system, and also in enhancing commitment and ownership. Those types of evaluation could facilitate linkages between regional, subregional and country-level actions. Initially, they can be experimented on in a few selected sectors, in all regions.

91. Cooperation at the policy level and in a region-wide context is facilitated primarily by the regional commissions. The preparatory processes associated with global summits led to extensive collaboration among agencies in policy development at the regional level. Coordination at the policy level creates further opportunities for continued collaboration in more directly operational issues. Coordinated work arrangements on a more long-term basis are taking place.

92. A clearer understanding of each of those coordination approaches is relevant to an assessment of the current status of coordination of regional and subregional activities and the feasibility of a regional strategy note.

2. Regional strategy note

93. The concept of a regional strategy note was advanced in the 1995 report of the Secretary-General on the triennial comprehensive policy review of operational activities for development of the United Nations system (A/50/202). The concept presumes that a planning framework at the regional level would lead to a more strategic use of limited resources and greater involvement of participating countries. Such an overall framework and strategy for United Nations system operations at the regional level would enable more effective linkages among agencies, and would facilitate priority-setting and national ownership of intercountry programmes. With the growing importance of the subregions and more activities being focused on individual subregions, it is entirely possible that a subregional strategy note might be more practical and appropriate.

D. Role of the regional commissions

94. The five regional commissions are an integral part of the operational activities of the United Nations system. Although their total financial contribution accounts for only about 10 per cent of all intercountry programme expenditures, they play a major role through their overall regional presence and their collaborative arrangements with such agencies as UNDP and with bilateral donors.

95. Most regional commissions have reoriented their work to deal with cross-cutting themes. They address regional development issues through a large network within their varying regions. Thus, the Economic and Social Commission for Asia and the Pacific (ESCAP) covers a region which has nearly half the world's population. The Economic Commission for Africa (ECA) has a regional membership of over 50 countries, almost double the size of the ESCAP regional membership, although the ECA population is only one fifth that of ESCAP. The Economic Commission for Latin America and the Caribbean (ECLAC) has even a smaller population, and its membership, along with the Economic and Social Commission for Western Asia (ESCWA), is probably the most of the five regional commissions. The Economic Commission for Europe (ECE) has developed a new role in assisting formerly centrally planned economies to move towards market-based systems. Each region has its own unique features in terms of regional organization.

96. Despite those differences, most regional commissions have a similar focus on intraregional trade and economic cooperation issues, and have a major concern with environmental issues and with water, energy, natural resources and transport.

97. There are at least four ways in which regional commissions undertake operational activities for development: (a) from their own core budgets, particularly for the provision of regional advisory services; (b) as executing agents of a number of UNDP-supported intercountry programmes, examining arrangements for enhancing the extent and quality of the regional commissions/UNDP relationship; (c) collaborating with United Nations agencies within the framework of operational programmes in such areas as trade, the environment and energy; and (d) implementation of programmes funded by bilateral donors.

98. The regional commissions also operate through subsidiary bodies or specialized institutions, such as the Statistical Institute for Asia and the Pacific in Tokyo and the Latin American and Caribbean Institute of Economic and Social Planning.

99. A new emerging function for the regional commissions is that of United Nations system coordination at the regional level. In the last two to three years, the regional commissions have instituted a number of mechanisms for inter-agency coordination. ESCAP organized the Regional Inter-Agency Committee for Asia-Pacific, which has held several meetings on a regular basis. It has delegated important sectoral and thematic functions to a large number of subcommittees, which can probably play an important role on sectoral and thematic coordination in the future, and even in the preparation of regional, sectoral and thematic strategy notes. That approach has important implications for future developments in preparing thematic and sectoral strategy notes and even a regional strategy note.

E. National ownership of regional programmes

1. Issues

100. Development assistance in its various forms - capital, commodity, food and technical assistance - is often seen as an external intervention in the development process. The processes and mechanisms associated with the approval and implementation of development assistance projects and programmes have in many cases been perceived as too donor-driven, and therefore not as effective as they would have been had national ownership been greater. Therefore, both multilateral and bilateral channels of assistance have increasingly aimed to instil a greater sense of ownership of development assistance activities by recipient countries. That trend is supported by the policy directives of the General Assembly in its resolutions 47/199 and 50/120.

101. The concept of ownership at the national level is relatively straightforward. At the intercountry level, however, the sense of ownership is not as clear cut. Two types of intercountry programmes can be identified in terms of ownership. The first type includes intercountry programmes that are indirectly owned by national Governments and other entities. It covers transboundary activities, activities involving working relationships with regional and subregional organizations, and activities with an important advocacy element, usually as follow-up to global conferences. The second type includes intercountry programmes that are directly linked to national development priorities and are implemented nationally. Some of those activities might be regionally based for reasons of efficiency or to achieve a comparative exchange of experience. Coordination with country-level activities is a crucial element in ensuring ownership by the countries of the region, because it enables greater convergence between national priorities and intercountry operations. It is also vital for maximizing the impact of intercountry activities.

102. The search for greater efficiency and effectiveness led in recent years to the increasing adoption of the modality of national execution. United Nations system agencies have been replaced in many countries by national institutions as executing agents. A corresponding arrangement to national execution at the regional level is difficult to observe, although the current approach of UNDP involves region-based institutions, including national institutions, in implementing extensive programme and project activities, especially through subcontracting arrangements. The aim is for Governments and countries in the subregions to decide on matters affecting intercountry programmes.

103. Greater material involvement and ownership can be promoted through a better flow of useful information on a regular and consistent basis. Full consultations with participating Governments is important for ensuring ownership of intercountry programmes. A common form of consultation is the discussion of broad frameworks of regional cooperation at the level of the governing bodies of United Nations agencies, such as the Executive Board of UNDP, which recently reviewed the regional cooperation frameworks of each region. Countries of the region were active participants in that process. The frameworks were prepared through extensive consultations with Governments and United Nations system agencies. Other agencies undertake consultations with their counterpart agencies in national Governments on almost all their intercountry activities.

104. Such consultation procedures have created a sense of ownership of those programmes by national institutions, and have resulted in greater information-sharing. It should be noted that such intercountry consultations can be time-consuming and expensive, and thus need to be rationalized if they are to be cost-effective. Experience indicates that consultative procedures require constant revision and improvement to ensure that all appropriate groups are being consulted, and that the representation of countries at consultation meetings is both adequate and effective.

2. Subregional cooperation

105. Subregional organizations are assuming an increasingly important role in the processes of economic development, including through the creation of free-trade and preferential tariff zones and other forms of partial economic integration. Although such subregional organizations are normally not engaged in development cooperation, they provide participating countries with appropriate structures, and are more familiar and accessible than regional and global bodies, particularly to smaller countries. United Nations system agencies have shown an increasing interest in such subregional organizations, and many United Nations agencies have established working relationships with them. Their interest varies from dialogue to assisting the secretariats of those bodies to develop their capacity and to implementing intercountry programmes through them.

106. The components of the trend towards ensuring greater ownership - greater linkages between country and intercountry activities, more extensive use of region-based and country-based technical resources, greater engagement of institutions from within regions and subregions, extensive processes of consultation in design and implementation, and an increasing focus on subregions - are all important and need to be further pursued. Governments of participating countries should, in general, be encouraged to develop partnerships with intercountry operations by offering their own resources in cash or in kind so that they also become stakeholders in projects and programmes.

3. Technical cooperation among developing countries

107. An important dimension implicit in regional and subregional operational activities, that of the practice and potential for technical cooperation among developing countries, needs to be made more explicit so that more opportunities for such cooperation can be exploited. An important aim of many intercountry activities is to facilitate the establishment of a regional and subregional institutional infrastructure, with capacities to manage critical regional cooperation issues. Several institutions of that kind were established by the United Nations system, and many United Nations agencies continue to be engaged with a large number of region-based institutions. Intercountry activities and methodologies, such as technical cooperation among developing countries, need to become more consistent and transparent and need to be agreed between the various agencies so that institutional centres of excellence can emerge within regions and subregions on key fields of development. Technical cooperation among

developing countries can also be an important methodology for resource mobilization, largely from non-traditional donors and beneficiary countries of intercountry programmes. The technical cooperation among developing countries element of intercountry operational activities can be most valuable for capacity development.

108. Regional and subregional operations of the United Nations system stand to benefit from the establishment of a close working relationship with regional development banks. Their intercountry technical cooperation activities are increasing, and it is estimated that the three regional development banks have programmes in total which are about half the size of United Nations system intercountry activities globally (the Inter-American Development Bank in Latin America disbursed over US$ 50 million in 1996 on regional technical cooperation). The regional banks have important working relationships with regional and subregional institutions. Those new directions for regional banks provide significant opportunities for greater contact and communication, to say the least, between United Nations system intercountry operational activities and regional banks.

UNITED
NATIONS

E

Economic and Social Council

Distr.
GENERAL

E/1997/65/Add.3
5 June 1997

ORIGINAL: ENGLISH

Substantive session of 1997
Geneva, 30 June-25 July 1997
Item 3 (b) of the provisional agenda*

OPERATIONAL ACTIVITIES OF THE UNITED NATIONS FOR INTERNATIONAL DEVELOPMENT COOPERATION: FOLLOW-UP TO POLICY RECOMMENDATIONS OF THE GENERAL ASSEMBLY

Addendum

Capacity-building

Report of the Secretary-General

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* E/1997/100.

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INTRODUCTION

1. The General Assembly decided, in paragraph 22 of its resolution 50/120, that capacity-building and its sustainability should continue to be essential to all development activities of the United Nations system at the country level. It requested, in paragraph 29, that the United Nations system focus on enhancing the absorptive capacity in developing countries through capacity-building efforts. Capacity-building has been retained by both the General Assembly and the Economic and Social Council as a focus area for the Council's review of operational activities in 1997 (resolution 50/120, para. 54). Moreover, in accordance with paragraph 56 of the resolution, an impact evaluation will be conducted within the context of the triennial policy review of 1998, with special attention focused on United Nations system support to capacity-building. Extensive consultations have taken place in the preparation of this report within the United Nations system. The Consultative Committee on Programme and Operational Questions, at its session in March 1997, reviewed this subject and provided useful guidelines.[1]

I. CONTEXT

2. Building, nurturing and strengthening national capacities in policy-making, planning, programming and implementation are important elements of the global consensus on people-centred development. The emergence of capacity-building as a major dimension of development effort is partly a reflection of a broad conclusion that international development cooperation has not yielded commensurate returns and partly as a response to changing needs. Doubts have been expressed over the sustainability of capacities built through technical cooperation and concerns that some attendant activities have had even negative effects on long-term capacity-building.

3. Capacity-building is increasingly seen as the missing link in development and the key to break the vicious cycle of mass poverty, population explosion, environmental degradation and political instability. The need for concerted capacity-building has become even more - not less - important in the current understanding of approaches that emphasize globalization, liberalization, marketization and political pluralism. Harmonizing them with national contexts and local cultures requires human and organizational capacities that many traditional and emerging societies lack. The growing country specificity of development needs not only call for a bottom-up approach to development but also make capacity-building a prerequisite to sustainable development.

4. While many countries can identify a development problem - poverty, illiteracy, ill health, low or negative rates of growth - many are deficient in capabilities to address a problem with an appropriate policy and then transform the policy into a practical programme. Many lack the capacity to articulate a long-term vision, an integrated policy framework and coherent programming or lack the capacity for policy reconciliation between sustained economic growth and sustainable development or between structural adjustment and social stability. Many developing societies, particularly the least developed ones, do not have the capacity to coordinate development aid and assert national

leadership, resulting in donor activism and recipient passivity. While most are aware that the roles and rules of state intervention in a market economy need to be redefined, they do not have the needed know-how. Capacity-building is taking place under sub-optimal scenarios and imperfect conditions. These are sometimes seen as an absence of absorptive capacity, which, in turn, is used as a reason for limiting external or underutilized aid, contributing to the vicious circle of underdevelopment, weak absorptive capacity and aid fatigue.

II. EVOLVING CONCEPTS

5. Capacity-building has acquired added legitimacy and enhanced importance in development theory in the past decade. The theoretical framework of capacity-building, long subsumed in technical cooperation, has evolved and acquired an autonomy and legitimacy of its own. While there is near unanimity that capacity-building should be the central mission of development cooperation, there are widely differing perceptions of what it means and prescriptions on what needs to be done. It has become, as it were, an umbrella concept, encompassing a broad range of concepts, ranging from synonymity with development itself to training of human resources, from governance to project execution and from macroeconomic management to conflict resolution. By its very nature, capacity-building has to be evolving and elastic and cannot be encapsulated or strait-jacketed into a stereotype. It is, nonetheless, important to reach a common understanding of its essence and content, if it is to become an effective instrument of development.

6. Among the questions that may need further clarification are: What are the linkages between capacity-building and absorptive capacity? Is capacity-building the same as institution-building and human resource development? What is capacity-building in relation to capacity? Can capacity-building be achieved in a narrow, technical area? What are the global characteristics of capacity-building? Is sustainability of development effort a key standard for achieving capacity-building? How critical are science-based technologies to capacity-building? Should it be exclusively indigenous and <u>in situ</u>? What is the most effective role and relevance of external development partners? Is there a division of labour among development partners? Should the State be the sole engine of national capacity-building? How should the civil society and non-State actors be involved? How should the right balance be struck between shareholders (the State and external partners) and stake holders (the civil society and the public at large)? Is there any implicit trade-off between capacity-building and rapid economic growth? Is there any room for capacity-building in conflict-prone and war-torn societies? Is the restoration of normalcy and establishment of the structures of civil society a precondition? Should there be, or can there be, any prerequisites and preconditions for capacity-building?

7. Technical cooperation has been an important focus of international development cooperation, providing the means and resources for developing countries to achieve self-reliance. The record of technical cooperation is both impressive and uneven. It has helped to lift millions out of poverty but, at the same time, more people are living in poverty than before - 300 million more between 1990 and 1995. There is a growing concern that conventional development

processes have created only limited national expertise and institutional capacity. Criticism is directed at:

(a) The excessive emphasis on short-term projects with finite impact rather than long-term development of human capacity;

(b) Support to Governments rather than towards civil societies;

(c) Excessive dependency on foreign experts, resulting in insufficient local ownership and management of the development process;

(d) Development of individual capacities with insufficient regard to the organizational or institutional context.

Technical cooperation is often poorly integrated with national development programmes and poorly coordinated, as a result of being excessively donor-driven. It is often administered as a package, consisting of foreign experts, external equipment and exogenous technologies with insufficient local participation. These negative elements inhibit the capacity of recipient countries to manage technical cooperation within a coherent national development framework.

8. The term "capacity" broadly refers to capability or ability of individuals and institutions to perform assigned functions efficiently, effectively and sustainably. Capacity-building refers to the process of enhancing individual skills or strengthening the competence of an organization or set of organizations to undertake specific tasks. In essence, it is the nurturing of the abilities needed by a society to take control of its destiny and direct and manage the development process, to make and carry out informed choices. A vision of development and of the kind of society to be nurtured is a prerequisite. Just as capacities differ from country to country and from region to region, they also differ from issue to issue. As noted above, the contours of capacity-building include capacity-strengthening, capacity development, capacity assessment, capacity enrichment and sustenance. Each of these elements is linked to the others and yet autonomous, depending on the context and content of a specific development situation.

9. While technical cooperation is, at best, enabling in its focus, the essence of capacity-building is empowerment and liberating people's creative energies to seize the opportunities open to them. It is self-liquidating but in a manner that does not leave behind voids and wastelands. It is designed to not only ameliorate individual lives but also enable them fully to participate in the life of a society.

10. Capacity-building is also a bridge between potential and performance, and between domestic processes and development aid. Capacity-building extends to new areas, new actors and new dimensions. Effective capacity-building is usually based on a human-centred notion of participatory development, where individuals and organizations whose capacities need to be strengthened are fully involved in the capacity-building process in all phases. Consensus-building should become an integral part of capacity-building.

11. This participatory approach requires a dialogue with beneficiaries and target population to ensure awareness of their own responsibility in identifying problems, finding solutions, establishing goals, learning concepts and methods, undertaking the necessary transformations to absorb new solutions and controlling the impact of their actions. In so doing, special attention has to be given to empowering the capacities of hitherto neglected sectors and actors, particularly women, and enhancing their access to productive assets. If properly nurtured, their creative energies can make a major development difference. It broadens the ambit beyond traditional institution-building to include sustainable human development; a mutually reinforcing relationship is required.

12. Capacity-building seeks to achieve a permanent transfusion of skills and know-how. It recognizes the importance not only of individual or institutional competence but also of a conducive policy and normative framework, within which they can contribute to the development process. This has major implications on the ways operational activities for development are conceived, designed, implemented and monitored. Attention needs to be paid not only to national capacity-building but also to community capacity-building.

13. The specificity of country contexts and varying perceptions on the role of external aid in the development process call for a flexible and pragmatic approach. Externally assisted capacity-building has to be carried out differently at different levels of development and taking into account the regional dimension. It is sensitive to the context, building on national comparative advantages and helping countries to overcome their areas of weakness and vulnerability. Capacity-development often starts with an assessment of current needs, which attempts to identify current level of capacity and identify strengths, weaknesses and gaps. While significant progress has been made in carrying out systematic capacity inventories in relation to requirements, much work remains, including the evolution of a common understanding in the development community based on experience and lessons learnt.

14. The scope and nature of external cooperation in capacity-building needs rethinking. While the points of entry into traditional technical cooperation are well delineated, they are less clear in capacity-building. Almost every country has internal capacities required to organize their societies and orchestrate their economic affairs. Externally aided capacity-development has to be more selective and calibrated than technical cooperation. The United Nations development system is well placed to play a leadership role in capacity-development, with a targeted and selective approach.

15. Although capacity-building has to be undertaken primarily in a country context, there is an emerging regional dimension that requires attention. For example, while every African country calls for specificity, there are also many commonalities among 53 African countries. Among these are human resource development, particularly in advanced science and applied technology, infrastructure development and environmental protection. A regional and a sub-regional approach to capacity-building in certain areas and issues may be more efficient and effective than an exclusive country focus. These issues are discussed at greater length in the following sections of the report.

III. NEW DIMENSIONS AND EMERGING AREAS

16. The changing context and new needs have highlighted new dimensions and emerging issues that have to be reconciled with, and integrated into, the concept and contours of capacity-building. Although many of them have been on the global agenda for some time, they are often dealt with in relative isolation from each other and outside the conceptual and operational ambit of capacity-building. It is necessary to deal with them in an integral and holistic manner and establish the interlinkages and priorities.

A. Sustainability

17. Traditional technical assistance is delivered as packaged projects with minimal regard to their sustainability after completion. The unsustainability of many development efforts is a prime reason for diminished effectiveness and wasted resources. An essential feature of capacity-building is sustainability of development activities, including maintenance and modernization of institutions and infrastructure. While the importance of sustainability is generally accepted in the development community, it is usually pursued outside the parameters of the project cycle. It should be built into the mainstream of programme/project identification, formulation, execution, monitoring and evaluation. "What happens after a project/programme is terminated and how and by whom it is continued and in what form should be integral variables even at the embryonic stages of formulation. The extent to which local resources and skills are utilized is another critical criterium of sustainability. Capacities created or acquired can atrophy without planned retention and renewal. Absorption and diffusion into a national context and culture require different capacities and skills than those needed for development and transfer, which are more neutral, replicable and less country specific.

B. Technology

18. The sweep and velocity of technological change, triggered by transforming technologies, particularly information and communications, have altered the dynamics of development. Many developing countries suffer from greater technological dependence than ever. Although some have succeeded in establishing science and technology infrastructures, few have been able to acquire the endogenous capacity to choose, adopt, apply, generate, diffuse and blend technologies. Many have established science and technology institutions but only a handful have acquired science and technology capacity; some have research and development capacity but not science and technology capacity. Very few have been successful in injecting a technological dimension into the mainstream of macroeconomic management.

19. The capacity to ensure policy coherence between technology and economic policies and to orchestrate their interplay is an important aspect of endogenous capacity-building. It encompasses the ability to infuse modern science into traditional technologies and to blend traditional techniques of production with emerging science-based technologies. Technological capacity-building includes the skills and capabilities not only to formulate coherent science and

technology policies but also to adapt and integrate them into the new international environment, along with other policies, such as trade, education and industrialization.

C. Trade

20. In an increasingly integrated global economy, capacities to seize trade opportunities and to overcome trade obstacles have become critical economic issues. Many developing countries, particularly the low-income and least developed ones, are weak in designing policy packages that would enable them to use international trade as an effective tool of sustained economic growth and sustainable development. With outward-oriented and liberal trade regimes, developing countries are struggling to enhance their minuscule share in global trade. Multilateral development institutions, such as the United Nations, are particularly suitable for providing strategic assistance to developing countries in maximizing their trade opportunities.

D. South/South cooperation

21. Capacity-building is central to closer South/South cooperation. No other area is more suitable, more promising and potentially more beneficial in economic pay-offs. As South/South cooperation moves to practical areas, a litmus test is how developing countries support, share and strengthen each others' capacities to control their respective development processes. The adequacy of existing modalities like economic cooperation among developing countries, technical cooperation and regional and subregional institutions and the need for new modalities more suitable for shared capacity-building need to be further explored. The extent to which capacity-building and strengthening can be integrated with regional and subregional approaches has to be more systematically explored in consultation with regional entities, such as regional commissions. The conclusions and recommendations of the High-level Committee on the Review of Technical Cooperation among Developing Countries[2] at its tenth session, which have an important bearing on this subject, are separately brought to the attention of the Council.

E. Human development

22. The human dimension is at the centre of capacity-building. A human being is not only a resource but also the source and the ultimate beneficiary of development. The annual Human Development Report of the United Nations Development Programme has been useful in bringing this point of view to the forefront of international attention. For sustained economic growth and sustainable development, a critical mass is necessary not only in physical infrastructure but also in an educated and skilled workforce. The place of education in development cooperation, long an implicit component, has become stronger in today's knowledge of intensive global economy.

23. Although the importance of education, from the primary stage to university, is widely accepted as critical for sustained development, many developing

societies continue to suffer from a growing mismatch between the skills generated by the educational system and those that are needed by the productive system. The educated workforce and priority needs of development are rarely congruent, resulting in unemployment, migration, and serious gaps in fulfilling development demands. The impact of information technologies on education needs renewed attention. New technologies are new tools and, if properly targeted, can promote effective learning and provide pupils with access to knowledge and skills not available in their local environment and habitat. They can also help in reaching the uneducated and the vast numbers of excluded people in the world.

24. A different dimension of human development is human migration. The contemporary global scene is characterized by massive human migration from villages to cities and across countries and continents in quest of peace and prosperity. The poor and the rich alike are willing and able to emigrate to distant lands - albeit for different reasons - straining the already stretched civic infrastructure. The new diaspora, overseas nationals, constitute an immense economic resource. The exodus of educated and professional classes - the most critical development resource - from poor to rich countries poses a particular challenge to policy makers. A problem confronting some countries is the exodus of over 75 per cent of their technical personnel, particularly their engineering graduates. The combination of poor prospects at home and the lure of good life abroad becomes irresistible.

25. The capacity to convert what is now a debilitating drain into an invigorating inflow and to harness the talents of migrants without stifling mobility and creativity needs to be furthered. Policies to reduce the degree of loss of the highly educated as a result of the international "brain drain" or to encourage emigrants to return could make a significant contribution to the development of capacity. Policies and schemes may need to be initiated at both the national and global levels to transform a one-way outflow into a two-way flow. The cooperation of Governments and also of non-governmental institutions, such as universities, industries and private enterprises, will be required. This can be achieved through greater use of modalities like twinning, linking institutions in different countries, South/South and North/South, and the expansion of existing, successful programmes, that facilitate the return of skilled nationals and their reintegration into their country.

F. Peace-building

26. The source and the origin of conflict are now more diffused than in the past. They include ethnic, religious and tribal factors, geographical disputes, control of minerals and water, and search for shared identity. Underlying many of these are mass poverty and economic despair. Peace-building comprises integrated and coordinated actions to ensure that conflict is prevented or resolved on a lasting basis and that the process of long-term development is not interrupted, or is resumed as early as possible. The dimension of peace-building has to be integrated into the concept of capacity-building.

27. The relationship between political/ethnic conflict, relief and reconstruction and development is receiving intense attention (see General Assembly resolution 50/120, para. 51). Although it was long considered that a

precondition of development was stability and peace and that external aid should be confined to humanitarian relief, experience gained in recent years has shown that development is not only compatible with, but even necessary in, politically volatile situations. Preemptive development is an important part of preventive diplomacy and conflict management. An emerging challenge is how to translate these ideas into action and how to put in place a policy package that operationalizes the concept. Most countries do not have the integrated decision-making, design and operational systems that are needed; where they exist, they are extremely weak.

28. The increase in humanitarian emergencies has highlighted the need to extend the frontiers of capacity-building in another direction: assisting national Governments to enhance their capacities to deal with natural and complex emergencies, which include emergency preparedness and the development of contingency plans through cooperative and coordinated efforts. In many disaster-prone countries, the fruits of painstaking economic growth have been set at nought by a single cataclysmic event. Modern technologies and acquired experience make it possible better to prepare for natural disasters and to mitigate their destructive effects. Disaster preparedness, relief, prevention and management capacities are increasingly seen as linked to the mainstream of development capacities. Although immediate relief is the focus of meeting humanitarian emergencies, it is now recognized that relief efforts should also contribute to long-term development.

29. The Administrative Committee on Coordination (ACC), at its session in April 1997, reviewed the concept of peace-building and the work of the United Nations system in that area. It stressed the need to strengthen the system's overall capacity, inter alia, by establishing interlinkages between its analytical capacities and operational activities in the political, peace-building, humanitarian and development fields. To that end, the substantive capacities for analysing emerging situations and scenario-building should be mobilized. ACC agreed that relief and development programmes must overcome existing divisions and, to that end, a strategic framework should be developed, in consultation with the concerned countries. The proposed framework should be tested in two countries and a working group be established for each country, to develop appropriate arrangements.

G. Aid optimization

30. Although official development assistance (ODA), both as a percentage and in absolute terms, has been stagnant and even regressing in recent years, there is no reduction in the number of development actors, particularly external, at the country level. Despite the emphasis on donor aid coordination, too often donors concentrate on their own projects and programmes, making national leadership indispensable. That need for leadership has become even more important with the introduction of modalities by the General Assembly, such as the programme approach, which are predicated on national ownership and leadership and envisage coalescing of funds from different sources. Still, many Governments lack the know-how and skills required to integrate activities with the same substantive scope but funded from a variety of sources and to fuse different inputs into a single programme. Externally supported aid-coordination mechanisms like the

UNDP round tables and the National Technical Cooperation Assessment and Programmes (NaTCAP) continue to require strengthened national leadership.

31. Supporting and stimulating national capacities for aid coordination have long been on the international agenda. A major flaw has been to treat external resources independently of the domestic mainstream on the grounds that the deployment of the latter is the exclusive prerogative of the concerned Governments and that aid dollars are accountable to their respective legislatures. The recent shift towards national ownership, national management and national execution, accepted by donor and recipient countries alike, should assuage some of these concerns and permit an integrated look at all resources targeted for the same purpose under national oversight. Effective aid coordination is best accomplished through a thematic or programme approach, involving integration of external inputs into a national programme. It can achieve not only the donor's objective of cost-effectiveness but also the overall objective of impact enhancement. Aid-coordination capacity includes capacity for aid monitoring and evaluation. The monitoring and the evaluation of programmes and projects that are funded by more than one source call for special skills. The principles and criteria for multifunded programmes with several components/projects require new thinking.

H. Governance

1. State

32. Good governance and capable government are essential to stability and development and to the process of economic reform. There is a growing consensus that state intervention in development should be strategic, not pervasive, and selective, not intrusive. An effective government is central to the creation and conduct of even market-oriented economies. Experience shows that an enduring public policy cannot be pursued without adequate governance capacity. While there is no commonly accepted definition of what good governance, or "capable" government, means in operational terms, at the very least it signifies the existence of a stable and relatively open and transparent political framework that is representative of, and responsive to, the will of the people. Capacity-building, in this respect, includes political institution-building and an infrastructure that enables the voice of the people to prevail in the choice, conduct and recall of their representatives and an administrative culture that provides for an apolitical civil service. While bureaucracy has often been derided, there is growing evidence that an efficient civil service is essential and that the nurturing of management skills is needed at all levels. International organizations are attaching growing importance to this realization, and civil service reform is now high in international development cooperation. The United Nations, the World Bank and UNDP, among others, are engaged in this effort.

33. The international community is being called upon to help countries that have moved away from repressive regimes towards representative ones to create and strengthen the policy conditions and institutional context of good governance. These include activities such as conducting elections, creating an independent judiciary, streamlining the civil service and training the police.

The United Nations has been engaged in these tasks as a part of its post-conflict peace-building work and renewal and rehabilitation of failed States. Regional organizations and non-governmental agencies are also being asked to assist. Capacity-building is often construed exclusively in relation to central or federal governance, yet it has important bearing on community development and municipal management. Decentralization and the devolution of decision-making cannot be effective without commensurate capacity-building at the local and community levels.

34. Good governance requires that systemic corruption be eliminated. The Organisation for Economic Cooperation and Development (OECD) has urged its member States to stop allowing bribes to be tax deductible. The World Trade Organization (WTO) has begun discussions on making transparency standard in permanent procurement practices. The World Bank has recently set up new procurement guidelines which permit cancellation of part of a loan if it is determined that corrupt or fraudulent practices were involved and to bar guilty companies from bidding on future projects. Transparency International, an anti-corruption outfit, now has chapters in more than 50 countries. Good governance is synonymous with sound development management and how a society's comparative advantages are harnessed for the public good. Corruption raises the cost of development projects. There is a widespread sense that corruption is not only more pervasive and intrusive than before, but that, in some countries, democratization has increased it, along with and, apparently, as a result of economic reforms. The focus of corruption is no longer confined to the State: it extends to the civil society. But the integration of anti-corruption measures into the governance agenda of a development agency has to be pursued with caution.

2. Civil society

35. The important contribution of civil society to economic growth and to social stability is widely acknowledged. The international development agencies are involving non-State actors as the conduits and agents of aid. Consequently, the principles of good governance become equally applicable to civil society.

36. The private sector in many developing societies is in a state of transformation. Family-owned businesses are being professionalized, sleeping shareholders and dormant directors are waking up and asserting their rights. Profitability and good governance are distinct and do not necessarily follow each other. Demands for greater transparency, accountability and accounting integrity are being voiced. International funding agencies, such as the World Bank, the International Finance Corporation (IFC) and regional development banks are directly providing funds to the corporate sector and intend to increase such lending. It is in this framework that the question of extending the principles of good governance to the corporate sector need to be considered.

37. A relatively neglected part of civil society is the cooperative sector which offers a middle way between the inefficient public sector and profit-centred private sector. It combines public accountability, non-bureaucratic functioning and self-reliance. The cooperative movement has grown in developing societies. As part of a new development compact, the international community

and multilateral institutions should support and encourage the movement. Most cooperatives are not only starved for funds but more importantly, lack managerial and organizational capacities. A capable cooperative sector can complement a capable government and a capable private sector.

38. The number of non-governmental organizations and the range of their activities have grown rapidly. The proportion of development aid channelled through non-governmental organizations increased from 0.7 per cent in 1975 to 3.6 per cent in 1985 and to at least 5 per cent in 1993-1994, excluding multilateral aid. The number of non-governmental organizations in developing countries has also increased exponentially. If corporations are becoming socially sensitized, non-governmental organizations, the traditional non-profit-making units, are being corporatized. As the State increasingly divests itself of welfare functions, non-governmental organizations are engaged in grass-roots work in areas like education and health. They receive their funds from external agencies or indirectly from their own Governments. In many cases, the funds received and the activities undertaken by them exceed their capacities and skills. Funding being scarce, few, if any, can turn down financial support on the grounds that they have no capacity. If appropriate capacities are not built in the non-State constituencies and if more and more resources are channelled through the non-governmental organizations the result could be misuse, waste or an aid backlash. This task has to be undertaken, bearing in mind the sensitivities of Governments. International organizations are paying particular heed to this aspect in the design of their development agendas.

I. Economic reform

39. Almost all developing countries and countries in transition have introduced reforms in their economies with a two-pronged agenda: revitalizing stagnant economies; and joining the global economy. They are trying to modernize without losing their moorings and join the global economy without losing control over their domestic economies. This is a complex process that calls for considerable sophistication and skills which many lack, forcing them to seek external help, particularly from the Bretton Woods institutions. The capacity-building dimension of economic reform needs particular attention from the United Nations. The mix of economic and egalitarian policies and capacities which is necessary to induce adjustment with a human face and social justice with economic growth is weak in many countries. The United Nations has a vital catalytic and coordinating role to play, and its own capacity to play the role needs continuous attention.

IV. OPERATIONAL ISSUES

40. While the need to shift or enlarge the substantive scope of development efforts from economic cooperation to capacity-building is widely accepted, much of the supporting infrastructure has remained unchanged. A recent study noted that bringing the concept to the forefront of aid has proved to be tougher than expected. Among the difficulties are:

(a) Uncertainty about the concept and how to measure it;

(b) A confusing array of processes and techniques;

(c) A wide gap between prescriptions and practice.

Despite daunting odds, many donor agencies and the United Nations system have taken several steps forward. The effort is twofold: to obviate the flaws and weaknesses of technical cooperation, and to adapt to changing times and new requirements. Not all forms of technical cooperation, albeit highly valued by national authorities, are necessarily conducive to, and compatible with, the development of national capacity. While technical cooperation that provides direct support or fills gaps may be justifiable in certain circumstances, the kind that inadvertently undermines capacities has to be avoided. The new needs are known. The challenge is how to transform an entrenched system built over half a century.

Recommendation 1

41. External assistance for developing national capacity has to be far more selective, sensitive and has to be better internalized and integrated into domestic processes and move away from short-term results and narrow accountability. A new profile is needed in the presence and representation of external development partners. National capacities to monitor and evaluate development activities have to be strengthened and relevant criteria designed.

42. International organizations are operationalizing capacity-building in the design and delivery of their development assistance. The World Bank recently issued a new operational directive that classifies technical cooperation by outcomes, such as policy support, policy preparation and implementation support and institutional development. The Bank, with UNDP and the African Development Bank, has launched an African capacity-building initiative to assist African countries to build capacities in policy analysis and development management in sub-Saharan Africa. It aims to build a critical mass of African professional policy analysts and economic managers. The African Capacity-Building Fund is being supported by donors. The lessons from the current pilot phase should provide useful guidance on such issues as: Have the capacities of sub-Saharan Africa, the poorest region in the world, been enhanced in policy analysis and development management, two of the most sophisticated skills? Are these the right points of external entry into capacity-building? Are they sustained and sustainable?

Recommendation 2

43. The United Nations development system bears a particular responsibility as pacesetter and catalyst. There is need to establish system-wide guidelines and criteria that could be used as benchmarks and points of reference by the system (see General Assembly resolution 50/120, para. 26). In accordance with resolution 50/120, capacity-building should remain an essential part of operational activities of the United Nations system at the country level, focusing on strengthening national capacity in policy and programme formulation,

development management, planning and implementation, coordination, monitoring and evaluation.

44. Organizations of the United Nations system are introducing policies and measures to focus more sharply their country-level presence and programming on capacity-building and are shifting from direct programme/project support to fulfilling long-term capacity needs. Agenda 21 laid particular stress on this. Experience gained from Collaborative Research in the Economics of Environment and Development (CREED), established in 1993, illustrates, among other things, the complexity of operationalizing capacity-strengthening. One important conclusion is that capacity-strengthening is not an automatic by-product of collaborative research. Capacity 21, an outgrowth of the United Nations Conference on Environment and Development,[3] assists developing countries build their capacities to integrate the principles of Agenda 21 into national plans and programmes. A UNDP trust fund of about $57 million, with a small but significant cost-sharing with non-governmental organizations, supports projects that are country-driven and nationally executed. Its operational scope covers about 60 countries. In June 1996, an independent review of Capacity 21 concluded that it had made significant progress in the incorporation of sustainable development principles into development planning processes in most of the 40 countries in which it was operational. It is important to note that its all-encompassing scope, focus on environment, and narrow resource base - a target of $500 million - do not enable Capacity 21 to cover the gamut of capacity-building needs, nor was it intended to do so.

45. United Nations funds and programmes are at the vanguard of the effort to shift from traditional technical assistance to a new mode of capacity-building. Thus, the Executive Board of UNDP, through its decision 94/14, decided that the overall mission of UNDP was to assist programme countries to realize sustainable human development in line with their national development programmes and priorities. A recent review of the approach and operations of the United Nations Children's Fund (UNICEF) noted, among other things, that the integration of domestic systems and policies with UNICEF-supported programmes might lead to the distortion of the policy and programme priorities of national institutions and siphon off the most qualified and experienced staff from other important activities. Its capacity-building intervention strategy should, inter alia, make more conscious decisions in the trade-offs between long-term capacity-building and the achievement of operational targets. Programming decentralization should be enhanced at the field level, since capacity-building requires a country-based choice of partners. The United Nations Population Fund (UNFPA) is putting particular stress on sustainability of family planning programmes which, among other things, require increased understanding of the role of both public and private sectors, in formulating policies and designing family planning services jointly with donors and Governments.

46. The specialized agencies of the United Nations system continue to focus their country-level activities, particularly technical cooperation, on development of national expertise and capability. For example, the work of the World Health Organization (WHO) towards capacity-building at the country level covers four strategic areas, including policy formulation and implementation and health system management, and takes account of national needs and expertise. Another agency whose work has important bearing on capacity-building in

education is the United Nations Educational, Scientific and Cultural Organization. The United Nations Industrial Development Organization (UNIDO) clearly differentiates between capacity-building and direct support projects.

Recommendation 3

47. An enduring transition from traditional technical assistance to capacity-building may require more fundamental changes in the way operational activities are conceived and carried out.

48. The General Assembly, as part of the overall reform process, has taken important decisions in the past six years on operational activities in the United Nations system, where the principal aim is to enhance the relevance and responsiveness of those activities to national needs and to integrate them into national development. It introduced innovative mechanisms, such as the country strategy note, enhanced policy dialogue, the programme approach and national execution. While all these mechanisms are intended to support national ownership and integration into the development process, their effective implementation requires commensurate capacity-building, involving areas such as planning, prioritization, programming and management system. Has the United Nations system, in the past, introduced changes at the country level without necessary policy changes at Headquarters, casting an unfair burden on the field level? Inadequacies of policy development support at the global level may be an important reason for tardy or flawed progress in reform. Further changes may be needed in planning and programming approaches at the country level by placing emphasis on helping countries to formulate coherent national programmes.

Recommendation 4

49. In order for capacity-building to become a more focused mission of the United Nations development system, existing policies and procedures have to be critically reviewed. The consistency and compatibility of extant policies with capacity-building objectives have to be addressed. Changing the contribution of the United Nations system from self-driven programmes and projects to calibrated inputs into national programmes will require a review of the entire project cycle and programming culture.

50. The capacity-building effort of the United Nations system can only be sustained through an interactive <u>in situ</u> process, requiring deep familiarity with local customs and culture and the ability to draw on local skills, technologies and strengths. A country-specific process requires country-level focus and control in the United Nations system. While decentralization and delegation are important to the entire work of the system, they are critical to capacity-building. While empowerment is crucial to any people-centred process, it is the life-blood of the capacity-building work of the United Nations system.

51. This will not be an easy task. The policies and procedures of the United Nations development system in the design and delivery of its operational activities have evolved over the past 50 years. In recent years, the system in the field, under the leadership of the resident coordinator system, has been moving towards redefining much of its cooperation and nearly all of its technical cooperation in terms of national capacity-building, in such areas as

governance, human resources development, institution-building and bringing women into the mainstream of socio-economic life. As an offshoot of its basic construct and culture, much of the capacity-building work of United Nations system is United Nations-centred, mandate-driven, event-tenured and tailored to conform to the procedures and requirements of the concerned organizations.

Recommendation 5

52. The wide range of activities now coming under the rubric of capacity-building at the field level highlights the need for greater clarity and common understanding on this subject. Field staff should be supported with the required resources and empowered to do the job. The efforts of the United Nations system in capacity-building are largely uncoordinated and mainly focused on their counterparts. What is needed is a more system-wide and systemic approach. A political push and impulse from the intergovernmental level, especially in the framework of the 1998 triennial comprehensive policy review of operational activities, will be indispensable for leading this effort.

Notes

[1] See ACC/1997/7.

[2] See A/52/39.

[3] Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (United Nations publication, Sales No. E.93.I.8 and Corrigendum).